

Registered number 05643248

**EPH No 1 Limited**

**Directors' report and financial  
statements**

**For the year ended 31 December 2008**



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## Directors' report

### Directors

J Dhody  
D J Leatherbarrow

### Secretary

E P Scales

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The directors present their report together with the audited financial statements and notes in respect of the year ended 31 December 2008.

### Principal Activity

The principal activity of the company is that of an intermediate holding company.

### Business Review

The loss before taxation for the year was £553 (2007: £1,416) as shown in the Profit and Loss Account on page 6. The directors do not recommend the payment of a dividend for the year (2007: £nil).

On 18 June 2009 Société Générale SA acquired the entire share capital of New Esporta Holding Limited, a parent undertaking of the company.

At the same time New Esporta Holding Limited secured new facilities totalling £205m from Société Générale.

The revised financing structure now in place provides a strong platform for New Esporta Holding Limited and its subsidiaries to move forward.

The Directors' report for the company's intermediate parent undertaking at the year end, New Esporta Holding Limited, contains a fair review of the business of the Esporta Group including the company, and an indication of future developments as required by section 234ZZB of the Companies Act 1985, using key performance indicators and risk analysis.

### Directors

The directors shown at the head of this report are currently in office. Changes to the directors since 1 January 2008 were as follows:

Name	Appointed	Resigned
D J Coupe	-	26 March 2008
H Sihra	-	26 March 2008
S P Charlton	-	30 November 2008
A J Hall	-	30 April 2008
G G Timms	-	18 June 2009
J Dhody	26 March 2008	-
D J Leatherbarrow	19 December 2008	-

There were no other directors during the year.

### Indemnity

The Articles of Association provide for the company indemnifying all directors subject to the provisions of the Companies Act 1985 (as amended).

### Auditors

Ernst & Young LLP, having confirmed their willingness to act, will continue as Auditor to the Company pursuant to Section 386 (2) of the Companies Act 1985.

## Directors' report (*continued*)

### Annual General Meeting

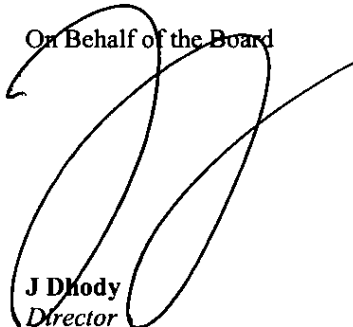
Pursuant to the Elective Resolutions, the Company will not hold an Annual General Meeting unless this is requested by any member.

### Directors' statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the company's auditors, each of these directors confirms that:

- To the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware; and
- Each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

On Behalf of the Board



**J Dhody**  
Director

18 September 2009

Registered Office:

Trinity Court  
Molly Millars Lane  
Wokingham  
Berkshire RG41 2PY

## **Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' report and the financial statements in accordance with the 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).

The financial statements are required by law to 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 judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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 proper accounting records that 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 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EPH No 1 LIMITED**

We have audited the company's financial statements for the year ended 31 December 2008, which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, Reconciliation of Movements in Shareholders' Deficit and the related notes 1 to 9. These financial statements have been prepared under the accounting policies set out therein.

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' responsibilities for preparing the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the company's affairs as at 31 December 2008 and of the loss of the company for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Ernst & Young LLP

Ernst & Young LLP  
Registered auditor

London

25 September 2009

**Profit and loss account**  
*for the year ended 31 December 2008*

	<i>Note</i>	<b>2008</b> <b>£</b>	2007 <b>£</b>
Cost of sales		-	(1)
<b>Operating loss</b>		-	(1)
Provision for loss incurred by subsidiary LLP undertakings		<b>(553)</b>	(1,415)
<b>Loss on ordinary activities before taxation</b>	2	<b>(553)</b>	(1,416)
Tax on loss on ordinary activities	4	-	-
<b>Loss for the financial year</b>	8	<b>(553)</b>	(1,416)

**Statement of Total Recognised Gains and Losses**  
*for the year ended 31 December 2008*

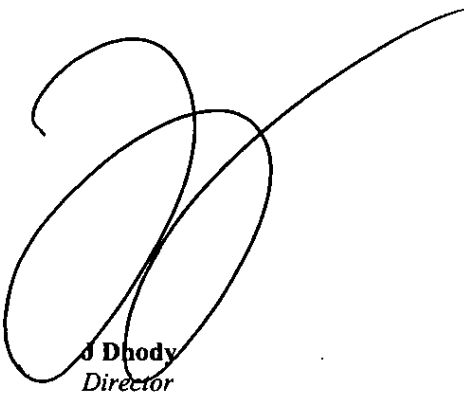
The company has no recognised gains or losses in either period other than for the loss for the year and the results relate wholly to continuing operations.



**Balance sheet**  
*at 31 December 2008*

	Note	2008 £	2007 £
<b>Fixed assets</b>			
Investments	5	6	5
<b>Creditors: amounts falling due within one year</b>	6	(2,093)	(1,539)
<b>Net current liabilities</b>		(2,093)	(1,539)
<b>Net liabilities</b>		(2,087)	(1,534)
<b>Capital and reserves</b>			
Called up share capital	7	1	1
Profit and loss account	8	(2,088)	(1,535)
<b>Equity shareholders' deficit</b>		(2,087)	(1,534)

These financial statements were approved by the board of directors on 18 September 2009 and signed on its behalf by:

  
**J Dhody**  
Director

**Reconciliation of movements in shareholders' funds**  
*for the year ended 31 December 2008*

	2008	2007
	£	£
Opening shareholders' deficit	(1,534)	(118)
Loss for the financial year	(553)	(1,416)
	<hr/>	<hr/>
Closing shareholders' deficit	(2,087)	(1,534)
	<hr/>	<hr/>

## 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 financial statements, except as noted below.

#### *Basis of preparation*

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 1985.

#### *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 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 profits and losses attributable from subsidiary undertakings, which have been incorporated as Limited Liability Partnerships, are recognised in the profit and loss account of the company.

#### *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 Esporta Group 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.

### 2 Operating loss

	2008 £	2007 £
<i>Operating loss is stated after charging:</i>		
Provision for loss incurred by subsidiary LLP undertakings	553	1,415
	<u>          </u>	<u>          </u>

Auditors' remuneration is paid by a fellow subsidiary undertaking.

## Notes (continued)

### 3 Directors' remuneration

The directors received no remuneration from the company during the year but were remunerated by the company's fellow subsidiary undertaking, Esporta Health & Fitness Limited. It is not possible to identify separately this remuneration in respect of services to the company.

### 4 Tax on loss on ordinary activities

There is no current or deferred tax charge or credit for the year (2007: £nil).

#### *Factors affecting the current tax for the year*

The current year tax credit for the period differs from the average rate of corporation tax in the UK of 28.5% (2007: 30%). The differences are explained below:

	2008 £	2007 £
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	(553)	(1,416)
	<hr/>	<hr/>
Loss before tax multiplied by the average UK Corporation tax rate of 28.5% (2007: 30%)	(158)	(425)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	114	425
Group relief surrendered for nil payment	44	-
	<hr/>	<hr/>
Total current tax (above)	-	-
	<hr/>	<hr/>

### 5 Investments

	£
<i>Cost</i>	
At 1 January 2008	5
Additions	1
	<hr/>
<b>At 31 December 2008</b>	<b>6</b>
	<hr/>

The investments of the company at 31 December 2008 are set out below.

Name of unincorporated business	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%

## Notes (continued)

### 6 Creditors: amounts falling due within one year

	2008 £	2007 £
Amounts owed to group undertakings	6	4
Provision for loss incurred by subsidiary LLP undertakings	2,087	1,535
	<u>2,093</u>	<u>1,539</u>

### 7 Called up share capital

	2008 £	2007 £
<i>Authorised:</i>		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
<i>Allotted, called up and fully paid:</i>		
1 Ordinary share of £1 each	1	1
	<u>1</u>	<u>1</u>

### 8 Profit and loss account

	£
At 1 January 2008	(1,535)
Loss for the financial year	(553)
	<u>(2,088)</u>
At 31 December 2008	<u>(2,088)</u>

### 9 Ultimate parent undertaking

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

EG01 Limited (formerly Esporta Group Limited), a company registered in England and Wales, was an intermediate parent undertaking and is the parent undertaking of the largest group of which the company is a member and for which group financial statements are prepared. Copies of the financial statements of EG01 Limited may be obtained from Trinity Court, Molly Millars Lane, Wokingham, Berkshire RG41 2PY.

The first 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.

At 31 December 2008, the company's ultimate parent undertaking was Bell Leisure Group Limited, a company registered in Jersey. Following the acquisition of the entire share capital of New Esporta Holding Limited on 18 June 2009 Société Générale SA became the company's ultimate parent undertaking.