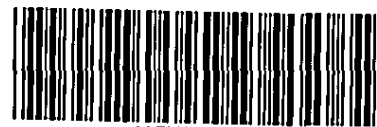


**THE GYM LIMITED**  
**ABBREVIATED ACCOUNTS**  
**31 DECEMBER 2008**

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COMPANIES HOUSE

**THE GYM LIMITED**

**ABBREVIATED ACCOUNTS**

**YEAR ENDED 31 DECEMBER 2008**

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**THE GYM LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE GYM LIMITED**

**UNDER SECTION 247B OF THE COMPANIES ACT 1985**

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We have examined the abbreviated accounts which comprise the Balance Sheet and the related notes, together with the financial statements of The Gym Limited for the year ended 31 December 2008 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITOR**

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

**BASIS OF OPINION**

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

**OPINION**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.

*Nexia Smith & Williamson LLP*

NEXIA SMITH & WILLIAMSON LLP

Chartered Accountants

& Registered Auditors

Bristol

*21 August 2009*

**THE GYM LIMITED**

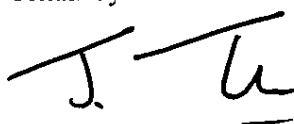
**ABBREVIATED BALANCE SHEET**

**31 DECEMBER 2008**

	Note	2008	2007
		£	£
<b>FIXED ASSETS</b>	<b>2</b>		
Tangible assets		1,882,489	55,035
<b>CURRENT ASSETS</b>			
Stocks		4,995	-
Debtors		273,047	37,323
Cash at bank and in hand		204,829	877,448
		<u>482,871</u>	<u>914,771</u>
<b>CREDITORS: Amounts falling due within one year</b>		<u>(252,357)</u>	<u>(128,937)</u>
<b>NET CURRENT ASSETS</b>		230,514	785,834
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,113,003	840,869
<b>CREDITORS: Amounts falling due after more than one year</b>		<u>(2,469,740)</u>	<u>(960,000)</u>
		<u>(356,737)</u>	<u>(119,131)</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	4	45,000	45,000
Profit and loss account		(401,737)	(164,131)
<b>DEFICIT</b>		<u>(356,737)</u>	<u>(119,131)</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

These abbreviated accounts were approved by the directors on **24 July 09** and are signed on their behalf by:



J Treharne  
Director

The notes on pages 3 to 5 form part of these abbreviated accounts.

# **THE GYM LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS**

**YEAR ENDED 31 DECEMBER 2008**

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### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

#### **Going concern**

At the year end, the company has net liabilities of £356,737 and incurred a loss for the year of £237,606. The company is therefore reliant upon the continued financial support of the shareholders, who have confirmed this support will be made available. Accordingly these financial statements have been prepared on a going concern basis.

#### **Turnover**

Turnover represents net invoiced sales of services provided in the year and non-refundable joining fees received during the year, exclusive of value added tax.

#### **Fixed assets**

All fixed assets are initially recorded at cost.

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Improvements	-	Straight line over life of lease
Gym Equipment	-	20% per annum straight line
Fixtures & Fittings	-	20% per annum straight line
Computer Equipment	-	33% per annum straight line
Website Design	-	20% per annum straight line

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

#### **Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding.

#### **Finance lease agreements**

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding, and the capital element which reduces the outstanding obligation for future instalments.

# THE GYM LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2008

### 1. ACCOUNTING POLICIES *(continued)*

#### Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

### 2. FIXED ASSETS

	Tangible Assets £
<b>COST</b>	
At 1 January 2008	55,035
Additions	1,901,433
At 31 December 2008	<u>1,956,468</u>
<b>DEPRECIATION</b>	
Charge for year	73,979
At 31 December 2008	<u>73,979</u>
<b>NET BOOK VALUE</b>	
At 31 December 2008	<u>1,882,489</u>
At 31 December 2007	<u>55,035</u>

### 3. RELATED PARTY TRANSACTIONS

During the year, the company incurred consultancy expenses of £nil (2007 - £32,981) relating to Mr J Treharne, a director of the company. At the period end £Nil (2007 - £32,981) remained outstanding.

Bridges Ventures, the ultimate controlling party by virtue of its majority shareholding, charged the company £15,000 (2007 - £nil) in respect of monitoring fees in the year, of which £7,500 (2007 - £nil) were outstanding at the year end.

Bridges Ventures subscribed for £1,000,000 (2007 - £960,000) of secured loan stock issued by the company in the year, and charged the company £93,238 (2007 - £33,666) of interest on this in the year. At the year end, the company owed capital of £1,960,000 (2007 - £960,000) and interest of £126,904 (2007 - £33,666) to Bridges Ventures. Interest accrued is included within accruals due in more than one year.

### 4. SHARE CAPITAL

#### Authorised share capital:

	2008 £	2007 £
1,000,000 A Ordinary shares of £0.01 each	10,000	10,000
4,000,000 B Ordinary shares of £0.01 each	40,000	40,000
	<u>50,000</u>	<u>50,000</u>

**THE GYM LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 31 DECEMBER 2008**

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**4. SHARE CAPITAL** *(continued)***Allotted, called up and fully paid:**

	2008		2007	
	No	£	No	£
A Ordinary shares of £0.01 each	500,000	5,000	500,000	5,000
B Ordinary shares of £0.01 each	4,000,000	40,000	4,000,000	40,000
	<u>4,500,000</u>	<u>45,000</u>	<u>4,500,000</u>	<u>45,000</u>

**Respective rights of ordinary share classes**

On any winding up or capital reduction of the company, the B Ordinary shares entitle holders to receive the subscription price together with any unpaid dividend entitlement ahead of the holders of the A Ordinary shares. The A and B classes of ordinary shares rank *pari passu* in all other respects.