

L A Fitness (1998) Limited
(A company limited by guarantee)
Annual report and financial statements
for the period ended
31 December 2015



A22

23/09/2016

#320

COMPANIES HOUSE

Contents

Officers and professional advisers	1
Strategic report.....	2
Directors' report.....	3
Independent auditors' report to the members of L A Fitness (1998) Limited.....	5
Statement of comprehensive income	7
Balance sheet.....	8
Statement of changes in equity	9
Notes to the financial statements	10

Officers and professional advisers

The Board of Directors

J de Bruin
H M Cobbold
P W D Roberts
A J G Bellamy

Company secretary

A J G Bellamy

Registered office

Town Centre House,
Merrion Centre,
Leeds,
West Yorkshire,
LS2 8LY

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Central Square
29 Wellington Street
Leeds
LS1 4DL

Strategic report

for the period ended 31 December 2015

The directors present their strategic report for the 14 month period ended 31 December 2015.

Business Review

L A Fitness (1998) Limited is an indirectly owned subsidiary of Tolmers Newco 1 Limited. Tolmers Newco 1 Limited and subsidiaries (together the "LA Fitness Group") are providers of physical fitness facilities under LA Fitness and LAX brands. The company has not traded in the year and is not expected to trade in the foreseeable future.

Results and KPIs

The income statement on page 7 shows the performance of L A Fitness (1998) Limited for the period ended 31 December 2015. The company made a profit for the financial period of £496,000 associated with the write off of intercompany payables (year ended 31 October 2014: £nil).

Acquisition by Pure Gym

Pure Gym Limited acquired Tolmers Newco 1 Limited in May 2015 and as a result there has been a change in the company's ultimate controlling party, see note 9.

Principal risks and uncertainties

The company has no principal risks or uncertainties.

Employees and diversity

L A Fitness (1998) Limited has no employees.

On behalf of the Board



A Bellamy
Director

6 September 2016

Directors' report

for the period ended 31 December 2015

The directors present their annual report and the audited financial statements of the company for the period ended 31 December 2015.

Future developments

Likely future developments of the company are discussed within the Strategic Report on page 2.

Dividends

The directors do not recommend the payment of a dividend.

Principal risks and uncertainties

Principal risks and uncertainties are discussed within the Strategic Report on page 2.

Directors

The directors who served the company during the period and up to signing the financial statements were as follows:

J de Bruin (appointed 28 May 2015)
H M Cobbold (appointed 28 May 2015)
P W D Roberts (appointed 28 May 2015)
A J G Bellamy (appointed 28 May 2015)
R Chester (resigned 28 May 2015)
M Long (resigned 28 May 2015)
A McColl (resigned 28 May 2015)

Employees

L A Fitness (1998) Limited has no employees.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, the Directors' report 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards), including Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101).

Directors' report (continued)

for the period ended 31 December 2015

Statement of directors' responsibilities (continued)

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 United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of the financial statements; and
- prepare the financial statements on a 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.

Provision of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

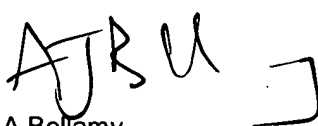
- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Independent auditors

In the absence of any notice proposing to terminate their appointment, PricewaterhouseCoopers LLP will be deemed to be reappointed for the next financial year. PricewaterhouseCoopers LLP have indicated their willingness to continue in office.

On behalf of the Board


A Bellamy
Director
6 September 2016

Independent auditors' report to the members of L A Fitness (1998) Limited

Report on the company financial statements

Our opinion

In our opinion, L A Fitness (1998) Limited's company financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit 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.

What we have audited

The financial statements, included within the Annual report and financial statements (the "Annual Report"), comprise:

- the balance sheet as at 31 December 2015;
- the statement of comprehensive income for the period then ended;
- the statement of changes in equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of L A Fitness (1998) Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on pages 3 and 4, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of the financial statements involves

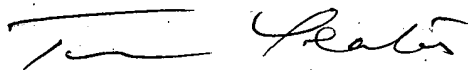
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group'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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Tom Yeates (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds

6 September 2016

Statement of comprehensive income
for the period ended 31 December 2015

	Note	14 months ended 31 December 2015 £'000	Year ended 31 October 2014 £'000
Other operating income		496	-
Operating profit		496	-
Income tax expense	5	-	-
Total comprehensive expense for the period		496	-

11/11/15

Balance sheet

as at 31 December 2015

	Note	31 December 2015 £'000	31 October 2014 £'000
Current assets			
Trade and other receivables	6	134	134
		134	134
TOTAL ASSETS		134	134
Current liabilities			
Trade and other payables	7	-	(496)
		-	(496)
TOTAL LIABILITIES		-	(496)
NET ASSETS		134	(362)
Equity			
Retained earnings		134	(362)
TOTAL EQUITY		134	(362)

The notes on pages 10 to 13 are an integral part of these financial statements. The financial statements of L A Fitness (1998) Limited, registered number 03502663, on pages 7 to 13 were approved by the board of directors and authorised for issue on 6 September 2016 and were signed on its behalf by:



A Bellamy
Director

Statement of changes in equity
for the period ended 31 December 2015

	Called up share capital £'000	Retained earnings £'000	Total shareholders ' funds £'000
Balance as at 1 November 2013 and 31 October 2014		(362)	(362)
Result for the period	-	496	496
Balance as at 31 December 2015	-	134	134

Notes to the financial statements

1 General Information

L A Fitness (1998) Limited is a subsidiary company within the CCMP Capital LP group of companies (the "CCMP Group") and is expected to remain as such for the foreseeable future. The company is a private company and is incorporated and domiciled in the UK. The address of its registered office is Town Centre House, Merrion Centre, Leeds, LS2 8LY.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements are presented in sterling, rounded to the nearest thousand. They are prepared on a going concern basis and under the historical cost convention. The principal accounting policies applied in the preparation of these financial statements are set out below, and, unless otherwise stated, these policies have been consistently applied to all the periods presented.

These financial statements have been prepared in accordance with United Kingdom Accounting Standards, in particular, Financial Reporting Standard 101 "Reduced Disclosure Framework (FRS 101) and, the Companies Act 2006 (the Act). FRS 101 sets out a reduced disclosure framework for a "qualifying entity" as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The Company is a qualifying entity for the purposes of FRS 101. Note 9 gives details of the Company's ultimate parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

These are the first financial statements of the Company prepared in accordance with FRS 101. The Company's date of transition to FRS 101 is 1 November 2013. The Company has notified its shareholders in writing about, and they do not object to, the use of the disclosure exemptions used by the Company in these financial statements. The impact of the amendments to the Company's previously adopted accounting policies in accordance with UK GAAP (excluding FRS 101) is explained in Note 10.

The company is a wholly-owned subsidiary of LA Fitness Limited and is included in the consolidated financial statements of Tolmers Newco 1 Limited which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

Notes to the financial statements (continued)

2 Summary of significant accounting policies (continued)

The principle disclosure exemptions adopted by the Company in accordance with FRS 101 are as follows:

- IFRS 7 financial instrument disclosures;
- IAS 1 information on management of capital;
- IAS 8 disclosures in respect of new standards and interpretations that have been issued but which are not yet effective;
- IAS 24 disclosure of key management personnel compensation;
- IAS 24 disclosures in respect of related party transactions entered into between fellow group companies; and
- Roll-forward reconciliations in respect of share capital (IAS 1) and property, plant and equipment (IAS 16).

Financial assets

The company classifies its financial assets as loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting date which are classified as non-current assets. The Company's loans and receivables comprise 'trade and other receivables' in the balance sheet.

Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. As the entity receives monthly membership fees in advance from members, there are no applicable trade receivables.

Financial liabilities

The company initially recognises financial liabilities at fair value where applicable and subsequently measures at each balance sheet date.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the financial statements (continued)

3 Critical accounting estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The directors do not believe that there are any significant accounting estimates or judgements that impact the financial statements.

4 Employees and directors

Employees

The company has no employees (2014: nil).

Directors

No directors received any remuneration in respect of their services to the company (2014: nil).

The key management of the group are deemed to be the same as the directors of the group, therefore no additional disclosure of key management compensation has been provided.

5 Tax on profit on ordinary activities

The current and deferred tax charges for the year are £nil (2014: £nil).

Tax credit for the year is lower (2014: lower) than the standard rate of corporation tax in the UK for the year ended 31 December 2015 of 20.36% (2014: 21.83%). The differences are explained below:

	2015 £'000	2014 £'000
Profit on ordinary activities before tax	496	-
Tax on profit on ordinary activities at standard UK corporation tax rate of 20.36% (2014: 21.83%)	101	
Effects of:		
- Unrelieved tax losses and other deductions	(101)	-
Total tax charge for the year	-	-

Factors that may affect future tax charges

The standard rate of corporation tax in the UK changed from 21% to 20% with effect from 1 April 2015 and accordingly the company's profits for this year are taxed at an effective rate of 20.25% (2014: 21.49%).

Notes to the financial statements (continued)

6 Trade receivables

	2015 £'000	2014 £'000
Amounts owed by group undertakings	134	134

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand. The directors do not intend to seek repayment within one year from the date of signing these financial statements.

7 Current liabilities

	2015 £'000	2014 £'000
Amounts owed to group undertakings	-	496

Amounts owed to the group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand. The directors do not intend to seek repayment within one year from the date of signing these financial statements.

8 Related party transactions

See note 4 for directors' remuneration. Advantage has been taken of the exemption in IAS 24 not to disclose transactions between Gym Topco Limited and its subsidiaries.

9 Controlling party

The immediate parent undertaking is LA Fitness Limited. The smallest group into which the results of the company are consolidated is Tolmers Newco 1 Limited, a company incorporated in the UK. The ultimate UK registered parent company is Gym Topco Limited. Publicly available financial statements can be obtained from the registered office.

The ultimate controlling party and largest group into which the results of the company are consolidated is CCMP Capital LP, 245 Park Avenue, 16th Floor, New York, NY 10167, United States of America.

10 Impact of transition to FRS 101

These are the company's first financial statements prepared under FRS 101.

The accounting policies set out in note 2 have been applied in preparing the company's financial statements for the year ended 31 October 2014 and period ended 31 December 2015, and in the preparation of an opening FRS 101 balance sheet at 1 November 2013 (the company's date of transition). There are no differences between amounts reported previously in financial statements prepared with UK GAAP and the same results restated under FRS 101.