

Company Registration No. 05854111 (England and Wales)

**NOW GYMS LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**  
**PAGES FOR FILING WITH REGISTRAR**

# NOW GYMS LIMITED

## COMPANY INFORMATION

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<b>Director</b>	Ms Z M Morris
<b>Company number</b>	05854111
<b>Registered office</b>	Lynwood House 373-375 Station Road Harrow Middlesex HA1 2AW
<b>Accountants</b>	RDP Newmans LLP Lynwood House 373-375 Station Road Harrow Middlesex HA1 2AW
<b>Business address</b>	206-208 Kensington Park Road Notting Hill London W11 1NR

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**NOW GYMS LIMITED**

**CONTENTS**

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	<b>Page</b>
Balance sheet	1 - 2
Notes to the financial statements	3 - 9

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# NOW GYMS LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Goodwill	3		1,732		3,099
Tangible assets	4		59,605		85,425
			<u>61,337</u>		<u>88,524</u>
<b>Current assets</b>					
Stocks		1,344		1,737	
Debtors	5	346,717		145,181	
Cash at bank and in hand		53		25	
		<u>348,114</u>		<u>146,943</u>	
<b>Creditors: amounts falling due within one year</b>	6	<u>(248,662)</u>		<u>(170,120)</u>	
<b>Net current assets/(liabilities)</b>			<u>99,452</u>		<u>(23,177)</u>
<b>Total assets less current liabilities</b>			<u>160,789</u>		<u>65,347</u>
<b>Creditors: amounts falling due after more than one year</b>	7		<u>(47,951)</u>		<u>(29,035)</u>
<b>Provisions for liabilities</b>			<u>(9,707)</u>		<u>(13,225)</u>
<b>Net assets</b>			<u><u>103,131</u></u>		<u><u>23,087</u></u>
<b>Capital and reserves</b>					
Called up share capital	8		28		28
Share premium account			19,999		19,999
Profit and loss reserves			83,104		3,060
<b>Total equity</b>			<u><u>103,131</u></u>		<u><u>23,087</u></u>

The director of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 March 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The director acknowledges her responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and signed by the director and authorised for issue on 13 December 2017

Ms Z M Morris

**AS AT 31 MARCH 2017**

		2017		2016	
Notes	£	£	£	£	

**Company Registration No. 05854111**

# **NOW GYMS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017**

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### **1 Accounting policies**

#### **Company information**

Now Gyms Limited is a private company limited by shares incorporated in England and Wales. The registered office is Lynwood House, 373-375 Station Road, Harrow, Middlesex, HA1 2AW.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 March 2017 are the first financial statements of Now Gyms Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

#### **1.2 Going concern**

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

In view of the company's significant net current liabilities, the validity of this assumption depends on the continued support of the company's directors and creditors.

If the company were unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet values of assets to their recoverable amounts and to provide for further liabilities that might arise.

#### **1.3 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised in the period in which the service was performed.

#### **1.4 Franchise Fee**

Franchise fee is written off in equal instalments over its estimated useful economic life of 10 years.

# NOW GYMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

### 1 Accounting policies

(Continued)

#### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Leasehold	over the term of the lease of 10 years
Plant and machinery	25% reducing balance method
Fixtures, fittings & equipment	15% reducing balance method
Motor vehicles	25% reducing balance method

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

#### 1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# NOW GYMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

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### 1 Accounting policies

(Continued)

#### 1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### 1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.



# NOW GYMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

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### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.12 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

#### **1.13 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 8 (2016 - 7).

# NOW GYMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

### 3 Intangible fixed assets

	Franchise fee £
<b>Cost</b>	
At 1 April 2016 and 31 March 2017	13,664
<b>Amortisation and impairment</b>	
At 1 April 2016	10,565
Amortisation charged for the year	1,367
At 31 March 2017	11,932
<b>Carrying amount</b>	
At 31 March 2017	1,732
At 31 March 2016	3,099

### 4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total £
<b>Cost</b>			
At 1 April 2016 and 31 March 2017	74,370	117,408	191,778
<b>Depreciation and impairment</b>			
At 1 April 2016	56,970	49,383	106,353
Depreciation charged in the year	10,439	15,381	25,820
At 31 March 2017	67,409	64,764	132,173
<b>Carrying amount</b>			
At 31 March 2017	6,961	52,644	59,605
At 31 March 2016	17,400	68,025	85,425

### 5 Debtors

	2017 £	2016 £
<b>Amounts falling due within one year:</b>		
Trade debtors	4,920	3,032
Amounts due from group undertakings	278,276	81,011
Other debtors	63,521	61,138
	346,717	145,181

Debtors include an amount of £nil (2016 - £14,792) which is due after more than one year

# NOW GYMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

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

	2017 £	2016 £
Bank loans and overdrafts	13,182	15,537
Trade creditors	40,199	54,726
Corporation tax	56	56
Other taxation and social security	41,897	32,084
Other creditors	153,328	67,717
	<u>248,662</u>	<u>170,120</u>

Creditors due in less than one year amounting to £25,626 (2016: £27,981) were secured by charges in favour of HSBC Bank PLC and Shawbrook Bank Limited against the assets of the company.

Creditors due in more than one year amounting to £16,591 (2016: £29,035) were secured by charges in favour of Shawbrook Bank Limited against the assets of the company.

This is an unlimited composite company cross guarantee between Now Gyms Limited and N. Forme Limited to secure each other's liabilities.

### 7 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Other creditors	<u>47,951</u>	<u>29,035</u>

### 8 Called up share capital

	2017 £	2016 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
280 Ordinary shares of 10p each	<u>28</u>	<u>28</u>

### 9 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2017 £	2016 £
	<u>19,000</u>	<u>47,500</u>

## **NOW GYMS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2017***

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**10 Parent company**

The entire share capital of the company is held by N. Forme Limited, a company incorporated in England and Wales and whose registered office address is Lynwood House, 373/375 Station Road, Harrow, Middlesex, HA1 2AW.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.