

The Gym Group plc
Unaudited Interim Financial Statements
For the three months ended
31 March 2018

Prepared only for the purposes of Sections 836 and 838 of the Companies Act 2006

Company Registration Number 08528493



The Gym Group plc
Statement of Comprehensive Income
For the three months ended 31 March 2018

	Note	31 March 2018 £'000	31 December 2017 £'000
Revenue		342	3,206
Cost of sales		-	-
Gross profit		342	3,206
Administration expenses		(260)	(1,361)
Other income		2,900	-
Operating profit		2,982	1,845
Finance income		121	449
Finance costs		(181)	(750)
Profit before tax		2,922	1,544
Tax charge		-	-
Profit for the year attributable to equity shareholders		2,922	1,544
Other comprehensive income for the year		-	-
Total comprehensive income attributable to equity shareholders		2,922	1,544

The notes on pages 5 to 8 form an integral part of the Financial Statements.

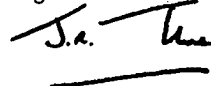
The Gym Group plc
Statement of Financial Position
As at 31 March 2018

	Note	31 March 2018 £'000	31 December 2017 £'000
Non-current assets			
Investments	4	161,601	161,450
Trade and other receivables	5	18,851	14,792
Total non-current assets		180,452	176,242
Current assets			
Trade and other receivables	5	94	70
Cash and cash equivalents		2,901	1
Total current assets		2,995	71
Total assets		183,447	176,313
Current liabilities			
Trade and other payables	6	426	427
Non-current liabilities			
Borrowings	7	41,175	37,113
Total liabilities		41,601	37,540
Net assets		141,846	138,773
Capital and reserves			
Issued capital	8	12	12
Own shares held	8	48	48
Capital redemption reserve	8	4	4
Share premium		136,280	136,280
Retained earnings		5,502	2,429
Total equity shareholders' funds		141,846	138,773

The notes on pages 5 to 8 form an integral part of the Financial Statements.

These Financial Statements were approved by the Board of Directors on 17th April 2018.

Signed on behalf of the Board of Directors



John Treharne
Chief Executive Officer



Richard Darwin
Chief Financial Officer

Company Registration Number 08528493

The Gym Group plc
Company Statement of Changes in Equity
For the three months ended 31 March 2018

	Issued Capital £'000	Own shares held £'000	Capital redemption reserve £'000	Share Premium £'000	Retained earnings ¹ £'000	Total £'000
At 1 January 2017	12	48	4	136,280	1,574	137,918
Profit for the year and total comprehensive income	-	-	-	-	1,547	1,547
Share based payments	-	-	-	-	655	655
Dividends paid	-	-	-	-	(1,347)	(1,347)
At 31 December 2017	12	48	4	136,280	2,429	138,773
Profit for the year and total comprehensive income	-	-	-	-	2,922	2,922
Share based payments	-	-	-	-	151	151
Dividends paid	-	-	-	-	-	-
At 31 March 2018	12	48	4	136,280	5,502	141,846

Note 1: Retained earnings contains distributable reserves of £3,214,000 (2017: £291,000)

The notes on pages 5 to 8 form an integral part of the Financial Statements.

The Gym Group plc

Notes to the Company Financial Statements

For the three months ended 31 March 2018

1. General information

The Gym Group plc ('the Company') is incorporated and domiciled in the United Kingdom with company number 08528493. The registered address of the Company is 5th floor, No. 1 Croydon, 12-16 Addiscombe Road, Croydon, United Kingdom, CR0 0XT.

2. Summary of significant accounting policies

A summary of the significant accounting policies is set out below. These have been applied consistently in the Financial Statements.

Statement of compliance and basis of preparation

The Financial Statements of the Company have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101') and with those parts of the Companies Act 2006 applicable to companies reporting under FRS 101.

The Company meets the definition of a qualifying entity under FRS 101 and has therefore taken advantage of the following disclosure exemptions available to it under FRS 101:

- (a) the requirements of IFRS 7 Financial Instruments;
- (b) the requirements of paragraph 97 of IFRS 13 Fair Value Measurement;
- (c) the requirements of IAS 7 Statement of Cash Flows;
- (d) the requirements of paragraphs 10(d), 111 and 134 to 136 of IAS 1 Presentation of Financial Statements;
- (e) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- (f) the requirements of paragraph 17 of IAS 24 Related Party Disclosures; and
- (g) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Going Concern

The Directors have made appropriate enquiries and formed a judgement at the time of approving the Financial Statements that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason the Directors continue to adopt the going concern basis in preparing the Financial Statements.

Related party transactions

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to the presentation of related party transactions.

Investments

On initial recognition, investments in subsidiaries are recorded at cost, which is the fair value of the consideration paid. Where consideration is paid by way of shares, the excess of fair value of the shares over nominal value of those shares is recorded in share premium. Investments in subsidiaries are reviewed for impairment at each balance sheet date with any impairment charged to the income statement.

Financial Instruments

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. The Company's loans and receivables comprise trade and other receivables and cash and cash equivalents in the balance sheet. Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest method. Income from these financial assets is calculated on an effective yield basis and is recognised in the income statement.

Financial liabilities

The Company initially recognises its financial liabilities at fair value and subsequently they are measured at amortised cost using the effective interest method.

The Gym Group plc

Notes to the Company Financial Statements

For the three months ended 31 March 2018

2. Summary of significant accounting policies (continued)

Current taxation

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Income tax relating to items recognised in comprehensive income or directly in equity is recognised in comprehensive income or equity and not in the income statement.

Deferred taxation

Deferred income tax is provided using the liability method on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, with the following exceptions:

- where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward tax credits or tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and amended to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

3 Significant accounting judgements, estimates and assumptions

The preparation of the Financial Statements in accordance with FRS 101 requires estimates and assumptions to be made that affect the value at which certain assets and liabilities are held at the balance sheet date and also the amounts of revenue and expenditure recorded in the period. The Directors believe the accounting policies chosen are appropriate to the circumstances and that the estimates, judgements and assumptions involved in its financial reporting are reasonable.

Critical accounting Judgements and estimates

There are no critical accounting judgements or estimates within these Financial Statements.

4. Investments in subsidiaries

	£'000
At 1 January 2017	132,795
Capitalisation of intercompany loans	28,000
Capital contribution to subsidiaries	655
As at 31 December 2017	161,450
Capital contribution to subsidiaries	151
As at 31 March 2018	161,601

The Gym Group plc

Notes to the Company Financial Statements

For the three months ended 31 March 2018

5. Trade and other receivables

	31 March 2018 £'000	31 December 2017 £'000
Social security and taxes	23	33
Prepayments and accrued income	71	37
Amounts owed by group undertakings	18,851	14,792
	18,945	14,862
Due in less than one year	94	70
Due in more than one year	18,851	14,792
	18,945	14,862

6. Trade and other payables

	31 March 2018 £'000	31 December 2017 £'000
Trade payables	131	80
Social security and other taxes	1	-
Accruals	294	347
	426	427
Due in less than one year	426	427
Due in more than one year	-	-
	426	427

7. Borrowings

The Company's bank borrowings are secured by way of fixed and floating charge over the Group's assets.

	31 March 2018 £'000	31 December 2017 £'000
<i>Non-current</i>		
Facility A	10,000	10,000
Facility B	32,000	28,000
Loan arrangement fees	(825)	(887)
	41,175	37,113

Bank facility A

On 12 November 2015 the Company entered into a five year bullet repayment facility with HSBC and Barclays. The facility comprises a £10.0 million term loan ('facility A') for the purposes of refinancing the Group's previous finance leases, a £25.0 million term loan ('facility B') to fund acquisitions and capital expenditure, and a £5.0 million revolving credit facility. On the 14 September 2017 the Group agreed a facility amendment increasing the Facility B commitment from £25.0 million to £35.0 million to enable the acquisition of the Lifestyle Portfolio of Gyms. Interest is charged at LIBOR plus a 2.5% margin.

Total borrowing facilities available to the Company under the facility are £50.0 million.

At 31 March 2018, facility A was fully drawn, facility B had £3.0 million of undrawn commitments and the revolving credit facility remains undrawn, giving £8.0 million of undrawn and available facilities.

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Notes to the Company Financial Statements
For the three months ended 31 March 2018

8. Issued capital and reserves

	2017 £'000	2016 £'000
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £0.0001 each	<u>12</u>	<u>12</u>
<i>Own shares held</i>		
Deferred Ordinary shares of £1 each	<u>48</u>	<u>48</u>

The number of ordinary shares in issue is as follows:

	2017	2016
Ordinary shares of £0.0001 each	128,105,275	128,105,275
Deferred Ordinary shares of £1 each	<u>48,050</u>	<u>48,050</u>

The following describes the nature and purpose of each reserve in equity:

Own shares held and capital redemption reserve

These reserves represent 48,050 Deferred Ordinary shares of £1 each repurchased by the Company on 12 November 2015 and Ordinary shares held in an employee benefit trust. The Deferred Ordinary shares constitute separate classes of shares but carry the same rights as Ordinary shares.

Share premium

The amount subscribed for share capital in excess of nominal value.

Retained earnings/(deficit)

The accumulated net gains and losses of the Company since inception. Retained earnings contains distributable reserves of £3,214,000 (2017: £291,000)