

Company Registration No. 09039043 (England and Wales)

SDI FITNESS (EPSOM) LIMITED
DIRECTORS' REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 APRIL 2018



SDI FITNESS (EPSOM) LIMITED

COMPANY INFORMATION

Directors Mr A A Adegoke
Miss R I L Stockton

Secretary Mr C J Olsen

Company number 09039043

Registered office Unit A
Brook Park East
Shirebrook
NG20 8RY

SDI FITNESS (EPSOM) LIMITED

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SDI FITNESS (EPSOM) LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 29 APRIL 2018

The directors present their Directors' report and financial statements for the period ended 29 April 2018.

Principal activities

The principal activity of the company continued to be the provision of leisure and fitness activities to gym members.

Directors

The directors who held office during the period and up to the date of approval of the financial statements were as follows

Mr A A Adegoke
Miss R I L Stockton

Results and dividends

The results for the period are set out on page 2. No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Qualifying third party indemnity provisions

Sports Direct International plc has granted the directors of the company with Qualifying Third Party Indemnity provisions within the meaning given to the term by Sections 234 and 235 of the Companies Act 2006. This is in respect of liabilities to which they may become liable in their capacity as director of the company and of any company within the group. Such indemnities were in force throughout the financial year and will remain in force.

Statement of directors' responsibilities

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

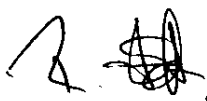
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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; 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 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.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption, provided by section 415A of the Companies Act 2006.

On behalf of the board



Miss R I L Stockton
Director

10 September 2018

SDI FITNESS (EPSOM) LIMITED

INCOME STATEMENT

FOR THE PERIOD ENDED 29 APRIL 2018

		Period ended 29 April 2018 £	Period ended 30 April 2017 £
	Notes		
Revenue	3	872,609	736,539
Cost of sales		(9,507)	(17,441)
Gross profit		863,102	719,098
Administrative expenses		(678,523)	(620,960)
Operating profit	4	184,579	98,138
Investment income		-	33
Profit before taxation		184,579	98,171
Taxation	6	24,305	(22,893)
Profit for the financial period		208,884	75,278

There were no recognised gains and losses for the current and prior period other than those shown above.

The notes on pages 6 - 15 form part of these financial statements.

SDI FITNESS (EPSOM) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 29 APRIL 2018

	Period ended 29 April 2018 £	Period ended 30 April 2017 £
Profit for the period	208,884	75,278
Other comprehensive income	-	-
Total comprehensive income for the period	<u>208,884</u>	<u>75,278</u>

SDI FITNESS (EPSOM) LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 29 APRIL 2018

	Notes	2018 £	£	2017 £	£
Non-current assets					
Property, plant and equipment	8		6,616		14,051
Current assets					
Trade and other receivables	9	429,652		179,347	
Cash and cash equivalents		1,460		995	
		431,112		180,342	
Current liabilities	10	(226,069)		(192,719)	
Net current assets/(liabilities)			205,043		(12,377)
Total assets less current liabilities			211,659		1,674
Provisions for liabilities	12		(23,128)		(22,027)
Net assets/(liabilities)			188,531		(20,353)
Equity					
Called up share capital	15		100		100
Retained earnings			188,431		(20,453)
Total equity			188,531		(20,353)

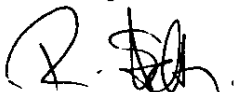
For the financial period ended 29 April 2018 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The directors acknowledge their 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 period in question in accordance with section 476.

The notes on pages 6 - 15 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 10 September 2018 and are signed on its behalf by.



Miss R I L Stockton
Director

Company Registration No. 09039043

SDI FITNESS (EPSOM) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 29 APRIL 2018

	Share capital £	Retained earnings £	Total £
Balance at 25 April 2016	100	(95,731)	(95,631)
Period ended 30 April 2017:			
Profit and total comprehensive income for the period	-	75,278	75,278
	<hr/>	<hr/>	<hr/>
Balance at 30 April 2017	100	(20,453)	(20,353)
Period ended 29 April 2018:			
Profit and total comprehensive income for the period	-	208,884	208,884
	<hr/>	<hr/>	<hr/>
Balance at 29 April 2018	<hr/> 100 <hr/>	<hr/> 188,431 <hr/>	<hr/> 188,531 <hr/>

SDI FITNESS (EPSOM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 APRIL 2018

1 Accounting policies

Company information

SDI Fitness (Epsom) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit A, Brook Park East, Shirebrook, NG20 8RY.

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.

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. The principal accounting policies adopted are set out below.

As permitted by FRS 102, the company has taken advantage of the disclosure exemptions available under that standard in relation to presentation of a cash flow statement, financial instrument disclosures, disclosure of related party transactions with group members and disclosing key management compensation

Where required, equivalent disclosures are given in the group accounts of Sports Direct International plc. The group accounts of Sports Direct International plc are available to the public and can be obtained as set out in note 17.

1.2 Going concern

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

1.3 Reporting period

The financial statements cover the 52 weeks ended 29 April 2018 (2017: 53 weeks ended 30 April 2017).

1.4 Revenue

Revenue represents amounts receivable for goods and services supplied in the period and non-refundable joining fees received during the period, exclusive of value added tax. Membership fees received in advance of the period to which they relate have been deferred and are recognised in the period in which the services are provided. All revenue relates to sales in the United Kingdom.

1.5 Intangible assets other than goodwill

Intangible assets are initially recognised at cost. After which, such assets are measured at cost less any accumulated amortisation and impairment losses

Customer related intangible assets reflect membership subscriptions acquired and are calculated on a discounted cash flow basis over the estimated period of the membership contract. As at the period end, the assets have been fully amortised.

SDI FITNESS (EPSOM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 APRIL 2018

1 Accounting policies

(Continued)

1.6 Property, plant and equipment

Property, plant and equipment 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

Short-term leasehold property improvements	Straight line over the life of the lease
Fixtures, fittings, plant and machinery	3-5 years straight line

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 the income statement.

1.7 Impairment of non-current 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.

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 the income statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Repairs and maintenance are charged to the income statement during the period in which they are incurred

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks

1.9 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable and loans to or from related parties

All financial assets and liabilities are initially measured at transaction price and subsequently measured at amortised cost.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the statement of financial position date.

SDI FITNESS (EPSOM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 APRIL 2018

1 Accounting policies

(Continued)

1.10 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 income statement 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.

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.

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.

1.11 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in the income statement in the period it arises.

Provisions in respect of public liability claims are made on a claim by claim basis where incidents have been occurred before the statement of financial position date, and it is anticipated, based on professional advice and previous experience that a liability will arise. Where the probability of the outcome of the claim is uncertain and cannot be reliably measured, a contingent liability will arise.

1.12 Retirement benefits

The company operates a defined contribution scheme plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the income statement when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to the income statement 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.

SDI FITNESS (EPSOM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 APRIL 2018

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Leases

The directors determine whether leases entered into are an operating lease or finance lease. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from lessor to the company on a lease by lease basis based on an evaluation of the terms and conditions of the arrangements, and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

Taxation

Management judgement is required to estimate the availability and allocation of tax losses within the group, based upon the level of taxable profits across the group.

Estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future profits.

Dilapidation provisions

The company recognises dilapidation provisions on the leasehold property it occupies. The directors assess the level of provision required on a property by property basis based on past experience from the wider Sports Direct group. The provisions are reviewed annually to ensure that they reflect the current best estimate of the provision required

SDI FITNESS (EPSOM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 APRIL 2018

3 Revenue

An analysis of the company's revenue is as follows:

	2018 £	2017 £
Revenue analysed by class of business		
Sale of goods	20,120	13,141
Provision of services	852,489	723,398
	<u>872,609</u>	<u>736,539</u>

	2018 £	2017 £
Other revenue		
Interest income	-	33
	<u>-</u>	<u>33</u>

4 Operating profit

	2018 £	2017 £
Operating profit for the period is stated after charging:		
Depreciation of owned property, plant and equipment	8,330	21,789
Operating lease charges	90,848	92,050
	<u>99,178</u>	<u>113,839</u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the period was.

	2018 Number	2017 Number
Operations	19	22
	<u>19</u>	<u>22</u>

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	224,885	191,701
Social security costs	14,474	11,377
Pension costs	1,179	740
	<u>240,538</u>	<u>203,818</u>

Directors are remunerated via other group companies.

SDI FITNESS (EPSOM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 APRIL 2018

6 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	-	23,839
Adjustments in respect of prior periods	(23,839)	-
Total current tax	(23,839)	23,839
Total current tax	(23,839)	23,839
Deferred tax		
Origination and reversal of timing differences	(296)	(2,673)
Changes in tax rates	-	167
Adjustment in respect of prior periods	(170)	1,560
Total deferred tax	(466)	(946)
Total tax (credit)/charge	(24,305)	22,893

The actual (credit)/charge for the period can be reconciled to the expected charge for the period based on the profit or loss and the standard rate of tax as follows

	2018 £	2017 £
Profit before taxation	184,579	98,171
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 20.00%)	35,070	19,634
Tax effect of income not taxable in determining taxable profit	-	(7)
Change in unrecognised deferred tax assets	-	(946)
Adjustments in respect of prior years	(24,009)	-
Group relief	(39,531)	-
Permanent capital allowances in excess of depreciation	34	2,673
Depreciation on assets not qualifying for tax allowances	939	1,222
UK transfer pricing adjustment for notional interest	3,192	317
Taxation (credit)/charge for the period	(24,305)	22,893

Reductions in the UK tax rate to 19% from 1 April 2017 and 17% from 1 April 2020 have been announced and substantively enacted in September 2016.

SDI FITNESS (EPSOM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 APRIL 2018

7 Intangible fixed assets

	Customer related £
Cost	
At 1 May 2017 and 29 April 2018	80,264
Amortisation and impairment	
At 1 May 2017 and 29 April 2018	80,264
Carrying amount	
At 29 April 2018	-
At 30 April 2017	-

8 Property, plant and equipment

	Short-term leasehold property and improvements £	Fixtures, fittings, plant and machinery £	Total £
Cost			
At 1 May 2017	15,244	40,248	55,492
Additions	188	707	895
At 29 April 2018	15,432	40,955	56,387
Depreciation and impairment			
At 1 May 2017	6,837	34,604	41,441
Depreciation charged in the period	4,940	3,390	8,330
At 29 April 2018	11,777	37,994	49,771
Carrying amount			
At 29 April 2018	3,655	2,961	6,616
At 30 April 2017	8,407	5,644	14,051

SDI FITNESS (EPSOM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 APRIL 2018

9 Trade and other receivables

	2018	2017
	£	£
Amounts falling due within one year:		
Amounts owed by group undertakings	360,149	140,042
Other receivables	366	-
Prepayments and accrued income	67,725	38,359
	<u>428,240</u>	<u>178,401</u>
Amounts falling due after more than one year:		
Deferred tax asset (note 13)	1,412	946
	<u></u>	<u></u>
Total debtors	<u>429,652</u>	<u>179,347</u>

10 Current liabilities

	Notes	2018	2017
		£	£
Bank loans and overdrafts	11	-	1,851
Trade payables		47,425	46,475
Amounts due to group undertakings		3,266	-
Corporation tax		-	23,839
Other taxation and social security		28,207	22,896
Other payables		20,380	4,122
Accruals and deferred income		126,791	93,536
		<u>226,069</u>	<u>192,719</u>

11 Borrowings

	2018	2017
	£	£
Bank overdrafts	-	1,851
	<u></u>	<u></u>
Payable within one year	-	1,851
	<u></u>	<u></u>

SDI FITNESS (EPSOM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 APRIL 2018

12 Provisions for liabilities

	2018 £	2017 £
Dilapidations	23,128	22,027

Movements on provisions:

	Dilapidations £
At 1 May 2017	22,027
Unwinding of discount	1,101
At 29 April 2018	23,128

The dilapidations provision is the best estimate of the present value of expenditure expected to be incurred by the company in order to restore its leasehold premises to the condition required under the lease agreement at the end of the lease discounted at 5% per annum. The provision is expected to be utilised over the period to the end of the lease.

13 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets 2018 £	Assets 2017 £
Balances:		
Accelerated depreciation	1,412	946
Movements in the period:		2018 £
At 1 May 2017		(946)
Credit to the income statement		(466)
Asset at 29 April 2018		(1,412)

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so.

SDI FITNESS (EPSOM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 APRIL 2018

14 Retirement benefit schemes

	2018	2017
	£	£
Defined contribution schemes		
Charge to the income statement	1,179	740

Contributions totalling £486 (2017: £141) were payable to the fund at the statement of financial position date and are included in creditors.

15 Share capital

	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	100	100
	100	100

16 Operating lease commitments

Lessee

Operating lease costs are borne by the company however the lease obligation is held by another group company.

17 Controlling party

The ultimate controlling party M J W Ashley, by virtue of his 100% ownership of MASH Holdings Limited, the ultimate parent company MASH Holdings Limited indirectly holds the majority of shares in SDI.com Fitness Parent Limited, the immediate parent company which is a wholly owned subsidiary of Sports Direct International plc.

Sports Direct International plc is the smallest group and MASH Holdings Limited is the largest group for which consolidated accounts are prepared. Both MASH Holdings Limited and Sports Direct International plc are companies registered in England and Wales. A copy of respective group accounts can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.