

Company Registration No. 09039717 (England and Wales)

SDI FITNESS (K HEATH) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 APRIL 2019

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SDI FITNESS (K HEATH) LIMITED

COMPANY INFORMATION

Directors	A A Adegoke A P O Dick (Appointed 14 March 2019)
Secretary	T J Piper
Company number	09039717
Registered office	Unit A Brook Park East Shirebrook NG20 8RY
Auditor	Cooper Parry Group Limited Chartered Accountants & Statutory Auditor Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA

SDI FITNESS (K HEATH) LIMITED

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SDI FITNESS (K HEATH) LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 28 APRIL 2019

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:

AA Adegoke	
R I L Stockton	(Resigned 14 March 2019)
AP O Dick	(Appointed 14 March 2019)

Results and dividends

The loss for the period after taxation amount to £29,667 (2018: profit of £121,111). No dividends were paid in the year (2018: £Nil). The directors do not recommend payment of a final dividend (2018: £Nil).

Qualifying third party indemnity provisions

Frasers Group 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 applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland.' 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

SDI FITNESS (K HEATH) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 28 APRIL 2019

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

DocuSigned by:

Dotun Adegoke.....

A Adegoke

Director 30 January 2020
Date

SDI FITNESS (K HEATH) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SDI FITNESS (K HEATH) LIMITED

Qualified opinion

We have audited the financial statements of SDI Fitness (K Heath) Limited (the 'company') for the period ended 28 April 2019 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 April 2019 and of its loss for the period 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.

Basis for qualified opinion

The evidence available to us was limited because we were appointed auditors during the period, and we have been unable to carry out audit procedures necessary to obtain adequate assurance regarding the opening balances and comparative figures because the financial statements for the year ended 29 April 2018 were unaudited. Any adjustments to the opening balances would have a consequential effect on the profit for the period. In addition, the amounts shown as corresponding amounts for 29 April 2018 may not be comparable with the figures for the current period.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

In forming our opinion on the financial statements, we have considered the adequacy of the disclosures made in note 1.3 to the financial statements concerning the company's ability to continue as a going concern. At 29 April 2019 the company's liabilities exceed its total assets by £107,447. These conditions along with the fact that there is no formal confirmation of support in place for a period of 12 months or more from the date of approval of the financial statements, indicate the existence of a material uncertainty which may cast doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

SDI FITNESS (K HEATH) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SDI FITNESS (K HEATH) LIMITED

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Other matter

The figures included within the comparatives are unaudited.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

In respect solely of the limitation on our work relating to opening balances:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been maintained.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

SDI FITNESS (K HEATH) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SDI FITNESS (K HEATH) LIMITED

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Cooper Parry Group Limited

Richard Jones (Senior Statutory Auditor)
for and on behalf of Cooper Parry Group Limited

30th January 2020

Chartered Accountants
Statutory Auditor

Chartered Accountants & Statutory
Auditor
Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

SDI FITNESS (K HEATH) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 28 APRIL 2019

		Period ended 28 April 2019 £	Unaudited Period ended 29 April 2018 £
	Notes		
Turnover	3	722,710	801,172
Cost of sales		(8,513)	(10,543)
Gross profit		714,197	790,629
Administrative expenses		(755,121)	(686,204)
(Loss)/profit before taxation		(40,924)	104,425
Tax on (loss)/profit	6	11,257	16,686
(Loss)/profit for the financial period		(29,667)	121,111

There were no recognised gains and losses for 2019 or 2018 other than those included in the profit and loss account.

The notes on pages 10 - 20 form part of these financial statements.

SDI FITNESS (K HEATH) LIMITED

STATEMENT OF COMPREHENSIVE INCOME **FOR THE PERIOD ENDED 28 APRIL 2019**

	Period ended 28 April 2019 £	Period ended 29 April 2018 £
(Loss)/profit for the period	(29,667)	121,111
Other comprehensive income	-	-
Total comprehensive income for the period	(29,667)	121,111

The notes on pages 10 - 20 form part of these financial statements.

SDI FITNESS (K HEATH) LIMITED**BALANCE SHEET****AS AT 28 APRIL 2019**

	Notes	2019 £	£	Unaudited 2018 £	£
Fixed assets					
Tangible assets	8		21,782		50,484
Current assets					
Debtors	9	184,942		197,366	
Cash at bank and in hand		6,468		4,587	
		<u>191,410</u>		<u>201,953</u>	
Creditors: amounts falling due within one year	10	<u>(100,986)</u>		<u>(121,023)</u>	
Net current assets			90,424		80,930
Total assets less current liabilities			<u>112,206</u>		<u>131,414</u>
Provisions for liabilities	11		(219,653)		(209,194)
Net liabilities			<u>(107,447)</u>		<u>(77,780)</u>
Capital and reserves					
Called up share capital	14		100		100
Profit and loss reserves			(107,547)		(77,880)
Total deficit			<u>(107,447)</u>		<u>(77,780)</u>

The financial statements were approved by the board of directors and authorised for issue on 30 January 2020 and are signed on its behalf by:

DocuSigned by:



A. Adegoke...

Director

Company Registration No. 09039717

The notes on pages 10 - 20 form part of these statements.

SDI FITNESS (K HEATH) LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 28 APRIL 2019**

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 May 2017	100	(198,991)	(198,891)
Period ended 29 April 2018:			
Profit and total comprehensive income for the period	-	121,111	121,111
Balance at 29 April 2018	100	(77,880)	(77,780)
Period ended 28 April 2019:			
Loss and total comprehensive income for the period	-	(29,667)	(29,667)
Balance at 28 April 2019	100	(107,547)	(107,447)

The notes on pages 10 - 20 form part of these financial statements.

SDI FITNESS (K HEATH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 APRIL 2019

1 Accounting policies

Company information

SDI Fitness (K Heath) 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 cover the 52 weeks ended 28 April 2019 (2018: 52 weeks ended 29 April 2018).

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Disclosure exemptions

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 Frasers Group plc. The group accounts of Frasers Group plc are available to the public and can be obtained as set out in note 16.

1.3 Going concern

At the period end the company had a deficit of £107,447. As the parent company are continuing to informally support the company, the directors consider that it is appropriate for the accounts to be prepared on a going concern basis. In the light of the net liabilities position and the fact that there is no formal confirmation of support in place for a period of 12 months from approval of these financial statements there is a material uncertainty over the company's ability to continue as a going concern.

1.4 Turnover

Turnover 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 turnover relates to sales in the United Kingdom.

1.5 Intangible fixed assets and amortisation

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 (K HEATH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 APRIL 2019

1 Accounting policies

(Continued)

1.6 Tangible assets

Tangible 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:

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 profit and loss account.

1.7 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 cost to sell and value in use. In assessing value in use, the estimate 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 the profit and loss account unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reason for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years.

A reversal of an impairment loss is recognised immediately in the profit and loss account, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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.

SDI FITNESS (K HEATH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 APRIL 2019

1 Accounting policies

(Continued)

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 balance sheet date.

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 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. The current tax charge will also be affected by estimates and judgements made by management on the availability and allocation of tax losses within the group.

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.

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.

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 profit and loss account in the period it arises.

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

SDI FITNESS (K HEATH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 APRIL 2019

1 Accounting policies

(Continued)

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 profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. 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 profit and loss account 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 (K HEATH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 APRIL 2019

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:

Depreciation and residual values

The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the assets and projected disposal values.

Impairment of non-current assets

The directors assess the impairment of tangible fixed assets and intangible assets subject to amortisation or depreciation whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could trigger an impairment review include the following;

- Significant underperformance relative to historical or projected future operating result;
- Significant changes in the manner of the use of the acquired assets or the strategy for the overall business; and
- Significant negative industry or economic trends.

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 balance sheet.

Taxation

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 Frasers Group. The provisions are reviewed annually to ensure that they reflect the current best estimate of the provision required.

SDI FITNESS (K HEATH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 APRIL 2019

3 Turnover and other revenue

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

	2019 £	2018 £
Turnover analysed by class of business		
Sale of goods	18,021	26,549
Provision of services	704,689	774,623
	<u>722,710</u>	<u>801,172</u>

4 Operating (loss)/profit

Operating (loss)/profit for the period is stated after charging:

	2019 £	2018 £
Fees payable to the company's auditor for the audit of the company's financial statements	2,800	-
Depreciation of owned tangible assets	98,277	38,715
Operating lease charges	<u>128,780</u>	<u>130,000</u>

5 Employees

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

	2019 Number	2018 Number
Operations	<u>15</u>	<u>15</u>

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	219,205	179,821
Social security costs	10,280	11,140
Pension costs	<u>1,400</u>	<u>862</u>
	<u>230,885</u>	<u>191,823</u>

Directors are remunerated via other group companies.

SDI FITNESS (K HEATH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 APRIL 2019

6 Taxation

	2019 £	2018 £
Adjustments in respect of prior periods	-	(14,293)
Total current tax	-	(14,293)
Deferred tax		
Origination and reversal of timing differences	(11,918)	(3,413)
Adjustment in respect of prior periods	661	1,020
Total deferred tax	(11,257)	(2,393)
Total tax credit	(11,257)	(16,686)

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

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

	2019 £	2018 £
(Loss)/profit before taxation	(40,924)	104,425
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	(7,776)	19,841
Tax effect of expenses that are not deductible in determining taxable profit	190	-
Adjustments in respect of prior years	661	(14,293)
Effect of change in corporation tax rate	1,402	-
Group relief	(8,401)	(27,400)
Fixed asset timing differences	(190)	401
Depreciation on assets not qualifying for tax allowances	1,888	1,541
Deferred tax adjustments in respect of prior years	-	1,020
UK transfer pricing adjustment for notional interest	969	2,204
Taxation credit for the period	(11,257)	(16,686)

SDI FITNESS (K HEATH) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 28 APRIL 2019****7 Intangible assets**

	Customer related £
Cost	
At 30 April 2018 and 28 April 2019	100,453
Amortisation and impairment	
At 30 April 2018 and 28 April 2019	100,453
Carrying amount	
At 28 April 2019	-
At 29 April 2018	-

8 Tangible assets

	Short-term leasehold improvements £	Fixtures, fittings, plant and machinery £	Total £
Cost			
At 30 April 2018	48,212	255,621	303,833
Additions	8,013	61,562	69,575
At 28 April 2019	56,225	317,183	373,408
Depreciation and impairment			
At 30 April 2018	24,504	228,845	253,349
Depreciation charged in the period	9,939	88,338	98,277
At 28 April 2019	34,443	317,183	351,626
Carrying amount			
At 28 April 2019	21,782	-	21,782
At 29 April 2018	23,708	26,776	50,484

9 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Amounts owed by group undertakings	135,046	164,158
Other debtors	-	86
Prepayments and accrued income	34,588	29,071
	169,634	193,315

SDI FITNESS (K HEATH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 APRIL 2019

9 Debtors		(Continued)	
	2019	2018	
	£	£	
Amounts falling due after more than one year:			
Deferred tax asset (note 12)	15,308	4,051	
	<u>15,308</u>	<u>4,051</u>	
Total debtors	<u>184,942</u>	<u>197,366</u>	
10 Creditors: amounts falling due within one year			
	2019	2018	
	£	£	
Trade creditors	10,168	113	
Taxation and social security	15,285	26,869	
Other creditors	20,755	14,123	
Accruals and deferred income	54,778	79,918	
	<u>100,986</u>	<u>121,023</u>	
11 Provisions for liabilities			
	2019	2018	
	£	£	
Dilapidations	<u>219,653</u>	<u>209,194</u>	
Movements on provisions:			
		Dilapidations	
		£	
At 30 April 2018		209,193	
Additional provisions in the year		<u>10,460</u>	
At 28 April 2019		<u>219,653</u>	

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.

SDI FITNESS (K HEATH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 APRIL 2019

12 Deferred taxation

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

	Assets 2019 £	Assets 2018 £
Balances:		
Accelerated depreciation	15,308	4,051
	<u>15,308</u>	<u>4,051</u>
Movements in the period:		2019 £
At 30 April 2018		(4,051)
Credit to the income statement		(11,257)
		<u>(15,308)</u>
Asset at 28 April 2019		<u>(15,308)</u>

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

13 Retirement benefit schemes

	2019 £	2018 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	1,400	862
	<u>1,400</u>	<u>862</u>

Contributions totalling £567 (2018: £228) were payable to the fund at the balance sheet date and are included in creditors.

14 Share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

15 Operating lease commitments

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

SDI FITNESS (K HEATH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 APRIL 2019

16 Ultimate 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 Frasers Group plc.

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