

Company Registration No. 09039717 (England and Wales)

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

THURSDAY



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COMPANIES HOUSE

# **SDI FITNESS (K HEATH) LIMITED**

## **COMPANY INFORMATION**

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**Directors** Mr A A Adegoke  
Miss R I L Stockton

**Secretary** Mr C J Olsen

**Company number** 09039717

**Registered office** Unit A  
Brook Park East  
Shirebrook  
NG20 8RY

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# SDI FITNESS (K HEATH) LIMITED

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# **SDI FITNESS (K HEATH) LIMITED**

## **DIRECTORS' REPORT**

**FOR THE PERIOD ENDED 29 APRIL 2018**

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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

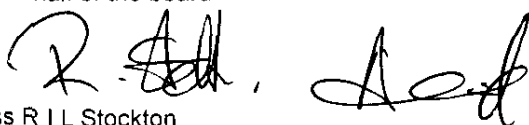
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).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

## INCOME STATEMENT

FOR THE PERIOD ENDED 29 APRIL 2018

		Period ended 29 April 2018 £	Period ended 30 April 2017 £
	Notes		
Revenue	3	801,172	815,930
Cost of sales		(10,543)	(16,961)
<b>Gross profit</b>		<b>790,629</b>	<b>798,969</b>
Administrative expenses		(686,204)	(796,048)
<b>Operating profit</b>	4	<b>104,425</b>	<b>2,921</b>
Investment income		-	44
<b>Profit before taxation</b>		<b>104,425</b>	<b>2,965</b>
Taxation	6	16,686	(12,635)
<b>Profit/(loss) for the financial period</b>		<b>121,111</b>	<b>(9,670)</b>

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 statements.

# **SDI FITNESS (K HEATH) LIMITED**

## **STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 29 APRIL 2018**

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	<b>Period ended 29 April 2018 £</b>	<b>Period ended 30 April 2017 £</b>
<b>Profit/(loss) for the period</b>	121,111	(9,670)
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income for the period</b>	<u>121,111</u>	<u>(9,670)</u>

# SDI FITNESS (K HEATH) LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 29 APRIL 2018

	Notes	2018 £	£	2017 £	£
<b>Non-current assets</b>					
Property, plant and equipment	7		50,484		81,133
<b>Current assets</b>					
Trade and other receivables	8	197,366		54,378	
Cash and cash equivalents		4,587		22,425	
		201,953		76,803	
<b>Current liabilities</b>	9	(121,023)		(157,596)	
<b>Net current assets/(liabilities)</b>			80,930		(80,793)
<b>Total assets less current liabilities</b>			131,414		340
<b>Provisions for liabilities</b>	10		(209,194)		(199,231)
<b>Net liabilities</b>			(77,780)		(198,891)
<b>Equity</b>					
Called up share capital	13		100		100
Retained earnings			(77,880)		(198,991)
<b>Total deficit</b>			(77,780)		(198,891)

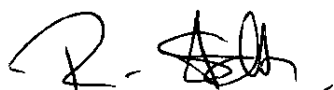
For the financial period ended 29 April 2018 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 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 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. 09039717

# SDI FITNESS (K HEATH) LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 29 APRIL 2018

	Share capital £	Retained earnings £	Total £
<b>Balance at 25 April 2016</b>	100	(189,321)	(189,221)
<b>Period ended 30 April 2017:</b>			
Loss and total comprehensive income for the period	-	(9,670)	(9,670)
<b>Balance at 30 April 2017</b>	100	(198,991)	(198,891)
<b>Period ended 29 April 2018:</b>			
Profit and total comprehensive income for the period	-	121,111	121,111
<b>Balance at 29 April 2018</b>	100	(77,880)	(77,780)



# **SDI FITNESS (K HEATH) LIMITED**

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

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### **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 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 15.

#### **1.2 Going concern**

At the period end the company had a deficit of £77,780. The deficit is funded by loans from other group companies which will not be called for repayment unless the cash flow permits for a minimum period of 12 months from approval of these financial statements. The directors have reviewed future forecasts, and with parent company support, consider that it is appropriate for the accounts to be prepared on a going concern basis.

#### **1.3 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.

#### **1.4 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 (K HEATH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 APRIL 2018

### 1 Accounting policies

(Continued)

#### 1.5 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.

#### 1.6 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.

#### 1.7 Cash and cash equivalents

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

#### 1.8 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 (K HEATH) LIMITED

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

### 1 Accounting policies

(Continued)

#### 1.9 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.

#### 1.10 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 occurred before the statement of financial position 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.

#### 1.11 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.

#### 1.12 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 (K HEATH) 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 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

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.

### 3 Revenue

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

	2018 £	2017 £
<b>Revenue analysed by class of business</b>		
Sale of goods	26,549	22,940
Provision of services	774,623	792,990
	<u>801,172</u>	<u>815,930</u>
	2018 £	2017 £
<b>Other revenue</b>		
Interest income	-	44
	<u>-</u>	<u>44</u>

# SDI FITNESS (K HEATH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 APRIL 2018

### 4 Operating profit

	2018	2017
	£	£
Operating profit for the period is stated after charging:		
Depreciation of owned property, plant and equipment	38,715	81,251
Operating lease charges	130,000	130,000

### 5 Employees

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

	2018 Number	2017 Number
Operations	15	18

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	179,821	195,649
Social security costs	11,140	12,518
Pension costs	862	924
	191,823	209,091

During the period, no director received any emoluments (2016- £Nil). Directors are remunerated via other group companies.

# SDI FITNESS (K HEATH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 APRIL 2018

### 6 Taxation

	2018 £	2017 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	-	14,293
Adjustments in respect of prior periods	(14,293)	-
<b>Total current tax</b>	<u>(14,293)</u>	<u>14,293</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(3,413)	(11,972)
Changes in tax rates	-	292
Adjustment in respect of prior periods	1,020	10,022
<b>Total deferred tax</b>	<u>(2,393)</u>	<u>(1,658)</u>
<b>Total tax (credit)/charge</b>	<u>(16,686)</u>	<u>12,635</u>

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)/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	<u>104,425</u>	<u>2,965</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 20.00%)	19,841	593
Tax effect of income not taxable in determining taxable profit	-	(9)
Change in unrecognised deferred tax assets	-	(1,658)
Adjustments in respect of prior years	(14,293)	-
Group relief	(27,400)	-
Permanent capital allowances in excess of depreciation	401	11,973
Depreciation on assets not qualifying for tax allowances	1,541	2,003
Deferred tax adjustments in respect of prior years	1,020	-
UK transfer pricing adjustment for notional interest	2,204	(267)
<b>Taxation (credit)/charge for the period</b>	<u>(16,686)</u>	<u>12,635</u>

# SDI FITNESS (K HEATH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 APRIL 2018

### 7 Property, plant and equipment

	Short-term leasehold property and improvements	Fixtures, fittings, plant and machinery	Total
	£	£	£
<b>Cost</b>			
At 1 May 2017	46,520	249,247	295,767
Additions	1,692	6,374	8,066
At 29 April 2018	48,212	255,621	303,833
<b>Depreciation and impairment</b>			
At 1 May 2017	16,391	198,243	214,634
Depreciation charged in the period	8,113	30,602	38,715
At 29 April 2018	24,504	228,845	253,349
<b>Carrying amount</b>			
At 29 April 2018	23,708	26,776	50,484
At 30 April 2017	30,129	51,004	81,133

# SDI FITNESS (K HEATH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 APRIL 2018

### 8 Trade and other receivables

	2018 £	2017 £
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	164,158	13,018
Other receivables	86	-
Prepayments and accrued income	29,071	39,702
	<u>193,315</u>	<u>52,720</u>
<b>Amounts falling due after more than one year:</b>		
Deferred tax asset (note 11)	<u>4,051</u>	<u>1,658</u>
<b>Total debtors</b>	<u>197,366</u>	<u>54,378</u>

### 9 Current liabilities

	2018 £	2017 £
Trade payables	113	9,030
Corporation tax	-	14,293
Other taxation and social security	26,869	33,246
Other payables	14,123	3,696
Accruals and deferred income	79,918	97,331
	<u>121,023</u>	<u>157,596</u>

### 10 Provisions for liabilities

	2018 £	2017 £
Dilapidations	<u>209,194</u>	<u>199,231</u>

Movements on provisions:

	Dilapidations £
At 1 May 2017	199,232
Unwinding of discount	9,962
At 29 April 2018	<u>209,194</u>



# SDI FITNESS (K HEATH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 APRIL 2018

### 10 Provisions for liabilities

(Continued)

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.

### 11 Deferred taxation

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

	<b>Assets 2018 £</b>	<b>Assets 2017 £</b>
<b>Balances:</b>		
<i>Accelerated depreciation</i>	<u>4,051</u>	<u>1,658</u>
<b>Movements in the period:</b>		<b>2018 £</b>
At 1 May 2017		(1,658)
Credit to the income statement		<u>(2,393)</u>
Asset at 29 April 2018		<u>(4,051)</u>

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

### 12 Retirement benefit schemes

	<b>2018 £</b>	<b>2017 £</b>
<b>Defined contribution schemes</b>		
<i>Charge to the income statement</i>	<u>862</u>	<u>924</u>

Contributions totalling £228 (2017: £143) were payable to the fund at the statement of financial position date and are included in creditors.

### 13 Share capital

	<b>2018 £</b>	<b>2017 £</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
	<u>100</u>	<u>100</u>

# **SDI FITNESS (K HEATH) LIMITED**

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

***FOR THE PERIOD ENDED 29 APRIL 2018***

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### **14 Operating lease commitments**

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

### **15 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 the respective group accounts can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.