

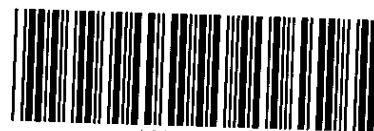
Registered number: 09039717

**SDI FITNESS (K HEATH) LIMITED**

**ANNUAL REPORT**

**FOR THE PERIOD ENDED 26 APRIL 2020**

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**SDI FITNESS (K HEATH) LIMITED**

**COMPANY INFORMATION**

<b>Directors</b>	A A Adegoke A P O Dick
<b>Company secretary</b>	T J Piper
<b>Registered number</b>	09039717
<b>Registered office</b>	Unit A Brook Park East Shirebrook NG20 8RY
<b>Independent auditor</b>	Cooper Parry Group Limited Chartered Accountants & Statutory Auditor Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA

**SDI FITNESS (K HEATH) LIMITED**

**CONTENTS**

	Page
<b>Directors' report</b>	1 - 2
<b>Independent auditor's report</b>	3 - 5
<b>Profit and loss account</b>	6
<b>Balance sheet</b>	7
<b>Notes to the financial statements</b>	8 - 19

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

### **DIRECTORS' REPORT FOR THE PERIOD ENDED 26 APRIL 2020**

The directors present their report and the financial statements for the period ended 26 April 2020.

#### **Principal activity**

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

#### **Post balance sheet events**

On 1 November 2021, the trade and assets of the company were transferred to another group company. From this date the company has ceased to trade and has become dormant.

#### **Results and dividends**

The loss for the period, after taxation, amounted to £469,442 (2019: loss of £29,667). No dividends were paid in the year (2019: £Nil). The directors do not recommend payment of a final dividend (2019: £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 directors 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 for the company's financial statements 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;
- 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 to 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.

#### **Directors**

The directors who served during the period were as shown on the company information page.

**SDI FITNESS (K HEATH) LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 26 APRIL 2020**

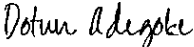
**Statement of disclosure to auditor**

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.

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

This report was approved by the board and signed on its behalf.

DocuSigned by:

  
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**A A Adegoke**  
Director

Date: 17 December 2021

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

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SDI FITNESS (K HEATH) LIMITED**

#### **Opinion**

We have audited the financial statements of SDI Fitness (K Heath) Limited (the 'company') for the period ended 26 April 2020, which comprise the Profit and loss account, the Balance sheet and the related notes, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 26 April 2020 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 on financial statements**

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 United Kingdom, including the Financial Reporting Council'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 related 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 26 April 2020 the company's financial liabilities exceed its total assets by £576,619. These conditions along with the fact 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.

#### **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.

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

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SDI FITNESS (K HEATH) LIMITED (CONTINUED)**

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

#### **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.

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

- adequate accounting records have not been kept, or 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
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

#### **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement set out on page 1, 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.

#### **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.

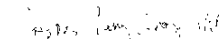
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

**SDI FITNESS (K HEATH) LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SDI FITNESS (K HEATH) LIMITED  
(CONTINUED)**

**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.



Catherine Kelly (Senior statutory auditor)

for and on behalf of  
**Cooper Parry Group Limited**

Chartered Accountants  
Statutory Auditor

Argosy Road  
East Midlands Airport  
Castle Donington  
Derby  
DE74 2SA  
Date: 17 December 2021



## SDI FITNESS (K HEATH) LIMITED

**PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED 26 APRIL 2020**

	Note	2020 £	2019 £
Turnover	3	637,105	722,710
Cost of sales		(6,602)	(8,513)
<b>Gross profit</b>		<u>630,503</u>	<u>714,197</u>
Administrative expenses		(1,091,840)	(755,121)
Other operating income	4	7,203	-
<b>Operating loss</b>	5	<u>(454,134)</u>	<u>(40,924)</u>
Tax on loss	7	(15,308)	11,257
<b>Loss after tax</b>		<u>(469,442)</u>	<u>(29,667)</u>
Retained earnings at the beginning of the period		(107,547)	(77,880)
		<u>(107,547)</u>	<u>(77,880)</u>
Loss for the period		(469,442)	(29,667)
<b>Retained earnings at the end of the period</b>		<u>(576,989)</u>	<u>(107,547)</u>

There were no recognised gains and losses for 2020 or 2019 other than those included in the profit and loss account.

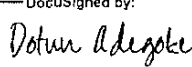
The notes on pages 8 to 19 form part of these financial statements.

**SDI FITNESS (K HEATH) LIMITED**  
**REGISTERED NUMBER: 09039717**

**BALANCE SHEET**  
**AS AT 26 APRIL 2020**

	Note	26 April 2020 £	28 April 2019 £
<b>Fixed assets</b>			
Tangible assets	9	11,843	21,782
		<u>11,843</u>	<u>21,782</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	10	-	15,308
Debtors: amounts falling due within one year	10	125,535	169,634
Cash at bank and in hand		2,337	6,468
		<u>127,872</u>	<u>191,410</u>
<b>Creditors:</b> amounts falling due within one year	11	(38,806)	(100,986)
		<u>89,066</u>	<u>90,424</u>
<b>Net current assets</b>			
		89,066	90,424
<b>Total assets less current liabilities</b>		<u>100,909</u>	<u>112,206</u>
<b>Provisions for liabilities</b>	12	(677,798)	(219,653)
		<u>(677,798)</u>	<u>(219,653)</u>
<b>Net liabilities</b>		<u>(576,889)</u>	<u>(107,447)</u>
<b>Capital and reserves</b>			
Called up share capital	14	100	100
Profit and loss account		(576,989)	(107,547)
<b>Total deficit</b>		<u>(576,889)</u>	<u>(107,447)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:  
  
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**A A Adegoke**  
Director

Date: 17 December 2021

The notes on pages 8 to 19 form part of these financial statements.

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

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26 APRIL 2020**

#### **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 under the historical cost convention and 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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 2).

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 are for a period of 52 weeks ended 26 April 2020 (2019: 52 weeks ended 28 April 2019).

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 deficit of £576,619. 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.

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

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26 APRIL 2020**

#### **1. Accounting policies (continued)**

##### **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.

##### **1.6 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

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

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26 APRIL 2020**

#### **1. Accounting policies (continued)**

##### **1.7 Impairment of fixed assets**

At each reporting 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 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 profit or loss, 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 and include cash in hand and deposits held at call with banks.assets

##### **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 of the recoverable amount, 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.

## SDI FITNESS (K HEATH) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26 APRIL 2020

#### 1. Accounting policies (continued)

##### 1.10 Taxation

The tax expense represents the sum of the current and deferred tax expense.

##### **Current tax**

Current tax 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 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.

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 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 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 operated a defined contribution scheme plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into 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.

**SDI FITNESS (K HEATH) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 26 APRIL 2020**

**1. Accounting policies (continued)**

**1.13 Leases**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**1.14 Government grants**

Grants received are disclosed in note 4 and refer to the Coronavirus Job Retention Scheme.

Grants of a revenue nature are recognised in the profit and loss account in the same period as the related expenditure.

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

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26 APRIL 2020**

#### **2. Judgements in applying accounting policies 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 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 results;
- 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***

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.

##### ***Provisions***

Whether a present obligation is probable or not requires judgement. The nature and type of risks for these provision differ and the directors' judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not.

The basis of the estimation of the provisioning for dilapidations and onerous lease contracts is detailed in the provisions accounting policy and note 12. Estimations and judgements are continually evaluated and are based on historical experience, external advice and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Where an onerous lease has been identified, the assets dedicated to that contract are impaired.



**SDI FITNESS (K HEATH) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 26 APRIL 2020****3. Turnover**

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Sale of goods	15,114	18,021
Provision of services	621,991	704,689
	<u>637,105</u>	<u>722,710</u>

**4. Other operating income**

	2020 £	2019 £
Government grants received	7,203	-
	<u>7,203</u>	<u>-</u>

**5. Operating loss**

The operating loss is stated after charging:

	2020 £	2019 £
Auditors' remuneration	2,875	2,800
Depreciation of tangible assets	9,939	98,275
Operating lease charges	128,780	128,780
	<u>139,594</u>	<u>129,855</u>

**6. Employees**

	2020 £	2019 £
Wages and salaries	156,439	219,205
Social security costs	6,543	10,280
Cost of defined contribution scheme	1,277	1,400
	<u>164,259</u>	<u>230,885</u>

The average monthly number of employees, including the directors, during the period was as follows:

	2020 No.	2019 No.
Operations	7	15
	<u>7</u>	<u>15</u>

## SDI FITNESS (K HEATH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 26 APRIL 2020

## 7. Taxation

	2020 £	2019 £
<b>Deferred tax</b>		
Deferred tax	15,308	(11,257)
<b>Taxation on profit/(loss)</b>	<u>15,308</u>	<u>(11,257)</u>

**Factors affecting tax charge for the period**

The tax assessed for the period is higher than (2019 -lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit/(loss) before tax	(454,134)	(40,924)
Profit/(loss) multiplied by standard rate of corporation tax in the UK of 19% (2019 -19%)	(86,285)	(7,776)
Tax effect of expenses that are not deductible in determining taxable profit	-	190
Adjustments in respect of prior years	-	661
Effect of change in corporation tax rate	-	1,402
Group relief	86,285	(8,401)
Fixed asset timing differences	-	(190)
Deferred tax adjustments in respect of prior years	-	1,888
UK transfer pricing adjustment for notional interest	-	969
Change in unrecognised deferred tax	15,308	-
<b>Total tax charge for the period</b>	<u>15,308</u>	<u>(11,257)</u>

**Factors that may affect future tax charges**

On 3 March 2021, the Chancellor of the Exchequer announced that the corporation tax rate would increase to a maximum of 25% from 1 April 2023. On 24 May 2021 this rate was substantively enacted and so the deferred tax rate applicable at 26 April 2020 remained at 19%.

## SDI FITNESS (K HEATH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 26 APRIL 2020

## 8. Intangible assets

	Customer related £
<b>Cost</b>	
At 29 April 2019 and 26 April 2020	100,453
<b>Amortisation</b>	
At 29 April 2019 and 26 April 2020	100,453
<b>Net book value</b>	
At 28 April 2019 and 26 April 2020	-

## 9. Tangible fixed assets

	Leasehold property improvements £	Fixtures, fittings, plant and machinery £	Total £
<b>Cost or valuation</b>			
At 29 April 2019	56,225	317,183	373,408
Disposals	-	(140,578)	(140,578)
At 26 April 2020	56,225	176,605	232,830
<b>Depreciation</b>			
At 29 April 2019	34,443	317,183	351,626
Charge for the period on owned assets	9,939	-	9,939
Disposals	-	(140,578)	(140,578)
At 26 April 2020	44,382	176,605	220,987
<b>Net book value</b>			
At 26 April 2020	11,843	-	11,843
At 28 April 2019	21,782	-	21,782

## SDI FITNESS (K HEATH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 26 APRIL 2020

## 10. Debtors

	26 April 2020 £	28 April 2019 £
<b>Due after more than one year</b>		
Deferred tax asset	-	15,308
	<u>-</u>	<u>15,308</u>
<b>Due within one year</b>		
Amounts owed by group undertakings	93,575	135,046
Other debtors	30,271	-
Prepayments and accrued income	1,689	34,588
	<u>125,535</u>	<u>169,634</u>

## 11. Creditors: Amounts falling due within one year

	26 April 2020 £	28 April 2019 £
Trade creditors	302	10,168
Other taxation and social security	13,654	15,285
Other creditors	3,570	20,755
Accruals and deferred income	21,280	54,778
	<u>38,806</u>	<u>100,986</u>

**SDI FITNESS (K HEATH) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 26 APRIL 2020****12. Provisions**

	<b>Dilapidations £</b>	<b>Onerous lease provision £</b>	<b>Total £</b>
At 29 April 2019	219,653	-	219,653
Charged to profit or loss	(169,653)	627,798	458,145
<b>At 26 April 2020</b>	<b>50,000</b>	<b>627,798</b>	<b>677,798</b>

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.

The provision in respect of onerous leases represents the net cost of fulfilling the company's obligations over the terms of these contracts discounted at 5% per annum. The provision is expected to be utilised over the period to the end of each specific lease. The unwinding of the discount on provision over time passes through the profit and loss account.

**13. Retirement benefit schemes**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £1,277 (2019 - £1,400). Contributions totaling £935 (2019: £567) were payable to the fund at the balance sheet date and are included in creditors.

**14. Share capital**

	<b>26 April 2020 £</b>	<b>28 April 2019 £</b>
<b>Allotted, called up and fully paid</b>		
100 Ordinary shares of £1.00 each	100	100

**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  
FOR THE PERIOD ENDED 26 APRIL 2020**

**16. Ultimate controlling party**

*The ultimate controlling party is 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

**17. Post balance sheet events**

On 1 November 2021, the trade and assets of the company were transferred to another group company. From this date the company has ceased to trade and has become dormant.