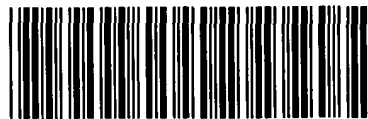


Derwent Fitness GS Limited

**Annual report and financial statements for the year ended 31
December 2019**

Registered number: 10951731

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Derwent Fitness GS Limited

Company information

Directors	R Darwin M George
Registered number	10951731
Registered office	5 th floor No. 1 Croydon 12-16 Addiscombe Road Croydon CR0 0XT
Independent auditor	Ernst & Young LLP 16 Bedford Street Belfast BT2 7DT

Derwent Fitness GS Limited

Directors' Report

for the year end 31 December 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Future developments

The Company has become dormant and the directors intends to dissolve the company in due course. .

Financial instruments

Before it became dormant, the Company financed its activities with intercompany debt. Details of the related financial risks to which the Company is exposed to are given in the Strategic Report.

Directors

The directors who served during the period were:

R Darwin
M George

Going concern

During the year the Company's operations and assets were transferred to a fellow group undertaking. Within the next 12 months the directors intend to dissolve the Company as part of a group restructuring. For this reason and as stated in Note 2, the financial statements have been prepared on a basis other than going concern.

Subsequent events

We evaluated subsequent events through the date of issuance of the financial statements. There have been no subsequent events that occurred during such period that would require adjustments to or disclosure in the financial statements as of and for the year ended 31 December 2019.

Auditors

Ernst & Young LLP will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Disclosure of information to auditors

Having made enquiries of fellow directors and of the Company's auditors, each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- to the best of each director's knowledge and belief, there is no information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the board



M George
Director

9 December 2020

Derwent Fitness GS Limited
Strategic Report
for the year ended 31 December 2019

The Directors present their strategic report for the year ended to 31 December 2019

Business review

At 30 November 2019, the operation of the Company had ceased and the net assets had been transferred to one of its fellow Group undertakings as part of a group restructuring. Since that date, the Company had remained dormant.

The Company made a profit before tax of £188,184 during the year (15 months to 31 December 2018: 497,393). The decrease in profit before tax is mainly due to the operation of the rental model for personal trainers had been fully transferred to one of its fellow Group undertakings in September 2019.

Also as part of the group restructuring, a dividend of £685,577 was paid (2018: £nil). The directors do not recommend a final dividend.

By order of the board

A handwritten signature in black ink, appearing to read 'M. George', written in a cursive style.

M George

Director

9 December 2020

Derwent Fitness GS Limited

Directors' Responsibilities Statement

for the year ended 31 December 2019

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable UK 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 Companies Act 2006 and United Kingdom Accounting Standards including FRS101 "Reduced Disclosure Framework". 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 for that period.

In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and 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. For the reasons stated in the Directors Report and Note 2, the financial statements have not been prepared on a going concern basis.

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.

Derwent Fitness GS Limited
Independent Auditor's Report
to the members of Derwent Fitness GS Limited
for the year ended 31 December 2019

Opinion

We have audited the financial statements of Derwent Fitness GS Limited for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of changes in Equity and the related notes 1 to 10, 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 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2019 and of its profit for the year 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 opinion

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 below. 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.

Emphasis of matter – financial statements prepared on a basis other than going

We draw attention to note 2 to the financial statements which explains that within the next 12 months the directors intend to dissolve the Company as part of a group restructuring and therefore the directors do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern as described in note 2. Our opinion is not modified in this respect of this matter.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the 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 the audit:

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

Derwent Fitness GS Limited
Independent Auditor's Report
to the members of Derwent Fitness GS Limited
for the year ended 31 December 2019 (continued)

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 strategic report or 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, 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 <https://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.

Ernst + Young LLP

Michael Christie (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast
9 December 2020

Derwent Fitness GS Limited
Statement of Comprehensive Income
for the year ended 31 December 2019

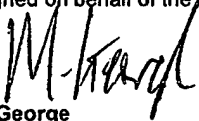
	Note	31 December 2019	15 months to 31 December 2018
		£	£
Revenue	4	306,355	616,230
Administration expenses		(118,171)	(118,836)
Operating profit	5	188,184	497,393
Profit before tax		188,184	497,393
Tax charge	6	-	-
Profit for the period attributable to equity shareholders		188,184	497,393
Other comprehensive income for the period		-	-
Total comprehensive income attributable to equity shareholders		188,184	497,393

Derwent Fitness GS Limited
Statement of Financial Position
as at 31 December 2019

	Note	31 December 2019 £	31 December 2018 £
<i>Current assets</i>			
Trade and other receivables	7	100	500,493
Total current assets		100	500,493
Total assets		100	500,493
<i>Current liabilities</i>			
Trade and other payables	8	-	3,000
Total current liabilities		-	3,000
Total liabilities		-	3,000
Net assets		100	497,493
<i>Capital and reserves</i>			
Issued capital	9	100	100
Retained earnings		-	497,393
Total equity shareholders' funds		100	497,493

These financial statements were approved by the Board of Directors on 9 December 2020.

Signed on behalf of the Board of Directors



M George

Director

Company Registration Number 10951731

Derwent Fitness GS Limited
Statement of Changes in Equity
for the year ended 31 December 2019

	Issued capital	Retained earnings	Total
	£	£	£
At 7 September 2017	100	-	100
Profit for the period and total comprehensive income	-	497,393	497,393
At 31 December 2018	100	497,393	497,493
Profit for the period and total comprehensive income	-	188,184	188,184
Dividend paid		(685,577)	(685,577)
At 31 December 2019	100	-	100

Derwent Fitness GS Limited

Notes to the financial statements

for the year ended 31 December 2019

1. General Information

Derwent Fitness GS Limited ('the Company') is a company limited by shares and incorporated in the United Kingdom with company number 10951731. The registered address of the Company is 5th floor, No.1 Croydon, 12-16 Addiscombe Road, Croydon, CR0 0XT.

2. Summary of significant accounting policies

Statement of compliance and basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101') and in accordance with applicable accounting standards. The financial statements are presented in Pounds Sterling and all values are rounded to the nearest Pound, except where otherwise indicated.

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

- (a) the requirements of IFRS 7 Financial Instruments: Disclosures;
- (b) the requirements of paragraph 91 to 99 of IFRS 13 Fair Value Measurement;
- (c) the requirements of IAS 7 Statement of Cash Flows;
- (d) the requirements of paragraphs 10(d), 16, 111 and 134 to 136 of IAS 1 Presentation of Financial Statements;
- (e) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- (f) the requirements of paragraph 17 of IAS 24 Related Party Disclosures; and
- (g) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Going Concern

During the year the Company's operations and assets were transferred to a fellow group undertaking. Within the next 12 months the directors intend to dissolve the Company as part of a group restructuring. Hence the financial statements have been prepared on a basis other than going concern.

Given the nature of the Company's operations, all current assets are expected to be offset via intercompany settlements with other group companies or transferred to other group companies at their carrying values. All current assets are therefore realisable at their recognised amounts such that no impairments or write downs were required.

Any future liabilities arising from the voluntary dissolution of the Company are estimated to be immaterial. The Gym Group plc, the company's parent undertaking, has agreed to support the Company throughout this period to ensure that all external creditors are paid.

Revenue

Revenue, which is stated excluding value added tax and other sales-related taxes, is measured at the fair value of the consideration receivable for goods and services supplied.

Rental income from Personal Trainers is recognised on a straight-line basis over the term of the rental agreement.

Derwent Fitness GS Limited

Notes to the financial statements

for the year ended 31 December 2019

2. Summary of significant accounting policies (continued)

Financial Instruments

Financial Assets

The Company classifies its financial assets as loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets. The Company's loans and receivables comprise 'trade and other receivables' in the balance sheet. Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest method. Income from these financial assets is calculated on an effective yield basis and is recognised in the income statement.

Financial liabilities

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

Impairment of financial assets

An assessment of whether there is objective evidence of impairment is carried out for all financial assets at the balance sheet date. A financial asset is considered to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

For individual impairment the principal loss event is one or more missed payments, although other loss events can also be taken into account, including arrangements in place to pay less than the contractual payments, fraud and bankruptcy or other financial difficulty indicators. An assessment of collective impairment will be made of financial assets with similar risk characteristics. For these assets, portfolio loss experience is used to provide objective evidence of impairment.

For financial assets carried at amortised cost, the charge to the income statement reflects the movement in the level of provisions made, together with amounts written off net of recoveries in the period.

Current taxation

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

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

Deferred taxation

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

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

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

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

Derwent Fitness GS Limited

Notes to the financial statements

for the year ended 31 December 2019

3. Significant accounting judgements, estimates and assumptions

The preparation of the financial statements in accordance with FRS 101 requires estimates and assumptions to be made that affect the value at which certain assets and liabilities are held at the balance sheet date and also the amounts of revenue and expenditure recorded in the period. The directors believe the accounting policies chosen are appropriate to the circumstances and that the estimates, judgements and assumptions involved in its financial reporting are reasonable. However, the nature of estimation means that actual outcomes could differ from those estimates.

Critical accounting judgement and estimates

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

4. Revenue

The Company only has one main revenue stream: rental income.

	31 December 2019	15 months to 31 December 2018
	£	£
Major products/service lines		
Rental income	306,355	616,230

5. Operating profit

Operating profit is stated after charging:

	31 December 2019	15 months to 31 December 2018
	£	£
Auditors' remuneration		
Fees payable for the audit of the Company's annual accounts	3,000	3,000

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated financial statements of The Gym Group plc.

6. Taxation

	31 December 2019	15 months to 31 December 2018
	£	£
Reconciliation of income tax charge:		
Profit before tax	188,184	497,393
Tax calculation at standard rate of corporation tax of 19.00%	35,755	94,505
Group relief	(35,755)	(94,505)
	-	-

Derwent Fitness GS Limited
Notes to the financial statements
for the year ended 31 December 2019

7. Trade and other receivables

	31 December 2019 £	31 December 2018 £
Trade Receivables	-	102,922
Amounts owed by group undertakings	100	397,571
	<u>100</u>	<u>500,493</u>

Amounts owed by group undertakings are unsecured, interest free and are repayable on demand.

8. Trade and other payables

	31 December 2019 £	31 December 2018 £
Accruals	-	3,000
	<u>-</u>	<u>3,000</u>

Amounts owed to group undertakings are unsecured, interest free and are repayable on demand.

9. Issued share capital

	31 December 2019 £	31 December 2018 £
<i>Allotted, called up and fully paid</i>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

At 31 December 2019, the Company held 100 Ordinary shares of £1.00 each. Each Ordinary share carries one voting right.

An interim dividend of £685,577 was declared and paid during the year (2018: £nil).

10. Ultimate group undertaking

The Company's immediate parent undertaking is The Gym Group Operations Limited. The Company's ultimate parent undertaking is The Gym Group plc. The company is included within these group accounts which are publicly available from www.tggplc.com.