

Company registration number 03644050 (England and Wales)

BODYPOWER SPORTS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

BODYPOWER SPORTS LIMITED

COMPANY INFORMATION

Directors P Walker
Bodypower Sports Holdings Limited

Company number 03644050

Registered office 13 Gatelodge Close
Round Spinney
Northampton
Northamptonshire
NN3 8RJ

Auditor Mercer & Hole LLP
The Pinnacle
170 Midsummer Boulevard
Milton Keynes
Buckinghamshire
MK9 1BP

Business address 13 Gatelodge Close
Round Spinney
Northampton
Northamptonshire
NN3 8RJ

BODYPOWER SPORTS LIMITED

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BODYPOWER SPORTS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2024

The directors present the strategic report for the year ended 30 September 2024.

Principal activities

Bodypower Sports Ltd (Trading as Fitness Superstore) is a leading company in the import and retail of fitness and gym equipment. The company's business model is based on a successful omni-channel approach. The company has a strong nationwide presence in the UK with 11 destination stores, a very successful ecommerce platform, expanding commercial sales division, numerous UK sole distributor partnerships and rapidly expanding private label brands.

Overall, "Fitness Superstore" is dedicated to delivering exceptional service and providing customers with access to high-quality fitness and gym equipment. The business continues to explore new opportunities and strive for excellence in meeting the needs of our customers in the ever-growing and evolving fitness industry.

Review of the business

The directors are pleased to present the financial statements for the year ended 30 September 2024.

The 2023/24 financial year proved to be another challenging period for the home fitness industry, as the expansion of public gym chains continued at pace, significantly impacting demand for home fitness equipment. This trend reflects a broader shift in consumer behaviour following the prolonged period of social distancing during the COVID-19 pandemic. As restrictions eased, many individuals sought renewed opportunities for social interaction and in-person exercise, fuelling a sustained rise in the number of affordable public gyms across the UK and Europe. In parallel, consumer purchasing habits have evolved in the post-pandemic era. Shoppers are now increasingly confident in making high-value purchases online, a development that has of course benefited our ecommerce platform. However, this shift has also led to a decline in "footfall" and beneficial customer interaction reducing sales within our physical retail stores, where average transaction values have traditionally been higher than those online.

In addition to the above trading factors this financial year began against a backdrop of rising interest rates, approaching their highest levels since 2008, and persistently high inflation, well above the Bank of England's 2% target. These macroeconomic pressures continued to weigh heavily on household budgets, intensifying the cost-of-living crisis for much of our customer base. In response, we maintained a strong focus on delivering value for money across our product range. As consumer discretionary spending tightened, we experienced a 10.3% decline in turnover over the year. This reflects the broader economic environment and shifting consumer priorities, particularly in relation to non-essential, high-value purchases.

Amidst intense competition from online retailers operating with lower overheads and "big box" giants with better economies of scale", and ongoing inflationary pressures affecting our own cost base, the company has remained focused on cautious strategic investment. We have continued to channel resources into areas that drive operational efficiency and long-term resilience. These investments are carefully targeted to ensure they support our core business values—delivering exceptional customer service and outstanding value for money without compromise.

Despite these challenges, the company remains committed to adapting to the changing market dynamics and finding new opportunities for growth. The directors acknowledge the need to remain agile and responsive to customer preferences. By leveraging the company's online presence, exploring partnerships, and focusing on customer satisfaction, the directors are confident that they can navigate these obstacles and continue to thrive in the retail industry.

Development and performance

The directors don't anticipate any further store openings in the next 12 months until economic conditions in the UK have improved and hopefully a more traditional demand for home fitness equipment returns. All things considered, the company is well positioned to "ride out" a prolonged period of depressed trading within the home fitness equipment sector due to its continued "zero borrowings" status, "low cost" infrastructure and an extremely strong balance sheet. Our focus for "growth" will be commercial equipment sales and product development for 2025.

Product development has again kicked on massively over the past 12 months' enhancing the company's existing range of offerings, exclusivity and introducing new innovative products and categories that cater to the evolving needs of its customers. The company has continued to make significant investments in digital technologies to improve its competitiveness, operational efficiency and most importantly to enhance the overall customer experience.

BODYPOWER SPORTS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

Development and performance (continued)

However, a strong retail store network will continue to be an essential ingredient of Fitness Superstore's strategy. Maintaining the company's dominant "bricks & mortar" presence across the UK requires continued investment in our store network to ensure the customer experience is fulfilling, exciting and unique. Material investment in the company's digital platform has continued and is paramount to its success across all sales channels. The directors continue to focus on strong supplier relationships, which is essential with the gradual reduction in consumer brands that has unfortunately taken place since the COVID pandemic. Fitness Superstore prides itself on having the best and most extensive product offerings in the home fitness equipment marketplace. Looking ahead, the directors remain committed to the company's strategic priorities and will continue to focus on innovation, customer-centricity, and operational excellence.

Principal risks and uncertainties

All risks are monitored on an ongoing basis by the directors and senior management. Strategies are then developed (as appropriate) to reduce and mitigate against these threats, essentially lowering their commercial and environmental impact. The principal risks and uncertainties are set out as follows:

Increased competition

The company operates in a highly competitive market, facing pressure from national chains, independent retailers, and a growing number of internet-based competitors. In response, we continue to differentiate ourselves through the deep product knowledge and expertise of our sales colleagues—supported by robust training programmes and a commitment to high recruitment standards.

Our focus remains on delivering the best possible value for money and maintaining a reputation for outstanding customer service. While the threat from e-tailers with significantly lower cost bases continues to grow, we are committed to enhancing the in-store experience and championing the unique advantages that bricks-and-mortar retail offers to both customers and suppliers.

Cost base increases

Online marketing costs continue to increase, especially "Pay per click" advertising, mainly due to additional retailers entering the fitness equipment sector. Although Fitness Superstore operates in a highly competitive market it differentiates itself through product range, customer experience, distribution infrastructure and most importantly the knowledge and expertise of its sales staff. Employee wages and salary costs have continued to rise across the UK driven by persistently high inflation. This trend has placed additional pressure on operating costs.

Reduced demand for home fitness equipment

Consumer research shows almost 50% of households purchased home fitness equipment during the extended COVID-19 lockdown period. In addition, budget gym chain openings are at an all-time high and still actively growing. We are therefore likely to see "consumer demand" for home fitness products continue to fall for at least another 12 months.

Supply chain instability

Relationships with the company's suppliers, which have always been intrinsic to its success, are key to maintaining a successful and profitable business. Therefore, the company is in constant contact with its suppliers to secure "continuity of supply" over the whole range of its products. Even though the coronavirus pandemic has passed, the reduced consumer demand for home fitness equipment is a major issue and continues to impact on the company's key suppliers. The directors expect this to continue throughout 2025 and possibly beyond.

Retention of employees

The company values its workforce and management highly, which is of course essential in maintaining its success in an ultra-competitive marketplace. For these reasons the company must continue to motivate and reward its employees well, keep morale high by reducing customer service issues where possible - thereby reducing unnecessary staff turnover. Regardless, the labour market continues to be highly competitive and extremely challenging for UK employers.

BODYPOWER SPORTS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

Principal risks and uncertainties (continued)

Economic and market conditions

It is likely consumer confidence will be heavily impacted by job losses, rising consumer and national debt and the continued economic ramifications of BREXIT. Furthermore, the general downturn in customer "foot flow" to retail stores across the UK (mainly due to COVID-19 changes in consumer buying habits) impacts heavily on "bricks & mortar" retailers, where average spend is materially higher than online. However, Fitness Superstore has always performed well in times of recession, due to its strong balance sheet, competitive edge and wide range of price points.

IT systems, continuity and cyber attack

The business is dependent on efficient and secure information technology to trade. Moreover, the business also continues to invest heavily in its online platform security to reduce the ongoing risk of cyber-attacks.

Climate change and emissions

Climate change is an emerging risk for all businesses. With the phasing out of petrol and diesel vehicles in favor of electric models may impact on the company's current operating model. As clean air zones grow, minimum emissions standards may become more stringent meaning diesel vans may not be allowed into these areas.

Regulatory risks

In the UK, fitness equipment must be manufactured to EU/UK standards. These standards are subject to continuous revision which can drive up import costs dramatically, having a negative impact on sales volumes.

Credit exposure

The company has very little exposure to bad debts. However, should more sales be generated from wholesale business (less than 2% currently) the company's exposure risk will of course increase. The company looks to minimise its "bad debt" risk by using "credit rating" agencies and identifying payment issues with wholesale customers in a timely manner.

Exchange rate exposure

Due to sustained growth in imported brands and products a high proportion of the company's purchases are purchased in US dollars. The company mitigates its risks by regularly reviewing foreign exchange fluctuations and selling prices.

Key performance indicators

Profit & loss performance

With reduced demand for home fitness equipment, annual turnover has materially fallen from approximately £29.5m in 2023 to £26.5m in 2024. This represents a 10.3% decline in sales across the business.

Unfortunately, gross profit margin has also decreased from 40.3% in 2023 to 37.1% in 2024. The decline in GP margin is primarily due to increased product costs and an extremely competitive and challenging UK marketplace.

Although overheads have unfortunately increased by 2.9% from £10.1m in 2023 to £10.4m in 2024 (on a much-reduced turnover), this is a satisfactory result considering the level of UK inflation and escalating employment costs in the year.

Balance sheet

As of the 30th of September 2024, cash reserves were at a healthy £19.1m (up from £18.3m in 2023).

Inventory levels have again reduced from the previous year, from £7.2m in September 2023, to £6.4m in 2024, which is essentially in line with the reduction in sales revenue.

Retained reserves in the trading company have increased from £21.6m to £22.4m in the year.

BODYPOWER SPORTS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

On behalf of the board

.....
P Walker
Director

Date:

BODYPOWER SPORTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2024

The directors present their annual report and financial statements for the year ended 30 September 2024.

Results and dividends

The results for the year are set out on page 10.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

P Walker
Bodypower Sports Holdings Limited

Auditor

The auditor, Mercer & Hole LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Disclosure in the strategic report

Principal activity, financial risk management objectives and policies and the exposure to credit, liquidity, interest rate and other price risks are set out in the strategic report (as defined by section 414c (11) of the Companies Act 2006).

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.

On behalf of the board

P Walker
Director

3 July 2025

BODYPOWER SPORTS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2024

The directors are responsible for preparing the annual 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.

BODYPOWER SPORTS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BODYPOWER SPORTS LIMITED

Opinion

We have audited the financial statements of Bodypower Sports Limited (the 'company') for the year ended 30 September 2024 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including 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 30 September 2024 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. 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 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 the directors' report have been prepared in accordance with applicable legal requirements.

BODYPOWER SPORTS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BODYPOWER SPORTS LIMITED (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 and the directors' report.

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:

- 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, 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. These included, but were not limited to, the Companies Act 2006 and tax legislation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and the financial report (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate entries including journals to overstate revenue or understate expenditure and management bias in accounting estimates.

Audit procedures performed by the engagement team included:

- discussions with management, including considerations of known or suspected instances of non-compliance with laws and regulations and fraud;
- gaining an understanding of management's controls designed to prevent and detect irregularities; and
- identifying and testing journal entries.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

BODYPOWER SPORTS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BODYPOWER SPORTS LIMITED (CONTINUED)

A further description of our responsibilities is available 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.

Steve Robinson FCA (Senior Statutory Auditor)

For and on behalf of Mercer & Hole LLP, Statutory Auditor

Chartered Accountants

The Pinnacle

170 Midsummer Boulevard

Milton Keynes

Buckinghamshire

MK9 1BP

3 July 2025

BODYPOWER SPORTS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2024

| | Notes | 2024 £ | 2023 £ |
|--|----------|--------------|--------------|
| Turnover | 3 | 26,513,853 | 29,581,793 |
| Cost of sales | | (16,663,886) | (17,649,321) |
| Gross profit | | 9,849,967 | 11,932,472 |
| Administrative expenses | | (10,418,180) | (10,120,494) |
| Other operating income | | 567,785 | - |
| Operating (loss)/profit | 4 | (428) | 1,811,978 |
| Interest receivable and similar income | 7 | 1,006,551 | 445,821 |
| Profit before taxation | | 1,006,123 | 2,257,799 |
| Tax on profit | 8 | (253,886) | (500,485) |
| Profit for the financial year | | 752,237 | 1,757,314 |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

BODYPOWER SPORTS LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2024

| | | 2024 | | 2023 | |
|---|-------|--------------------|--------------------------|--------------------|--------------------------|
| | Notes | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 10 | | 315,207 | | 345,145 |
| Current assets | | | | | |
| Stocks | 11 | 6,422,925 | | 7,199,488 | |
| Debtors | 12 | 5,564,463 | | 4,313,114 | |
| Cash at bank and in hand | | 19,076,560 | | 18,263,766 | |
| | | <u>31,063,948</u> | | <u>29,776,368</u> | |
| Creditors: amounts falling due within one year | 13 | <u>(8,659,403)</u> | | <u>(8,150,836)</u> | |
| Net current assets | | | <u>22,404,545</u> | | <u>21,625,532</u> |
| Total assets less current liabilities | | | <u>22,719,752</u> | | <u>21,970,677</u> |
| Provisions for liabilities | | | | | |
| Deferred tax liability | 14 | <u>59,846</u> | | <u>63,008</u> | |
| | | | <u>(59,846)</u> | | <u>(63,008)</u> |
| Net assets | | | <u><u>22,659,906</u></u> | | <u><u>21,907,669</u></u> |
| Capital and reserves | | | | | |
| Called up share capital | 16 | | 100,000 | | 100,000 |
| Share premium account | 17 | | 176,900 | | 176,900 |
| Profit and loss reserves | 17 | | 22,383,006 | | 21,630,769 |
| Total equity | | | <u><u>22,659,906</u></u> | | <u><u>21,907,669</u></u> |

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 3 July 2025 and are signed on its behalf by:

P Walker
Director

Company registration number 03644050 (England and Wales)

BODYPOWER SPORTS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2024

| | Share capital | Share premium account | Profit and loss reserves | Total |
|---------------------------------------|---------------|-----------------------|--------------------------|-------------|
| Notes | £ | £ | £ | £ |
| Balance at 1 October 2022 | 100,000 | 176,900 | 21,373,455 | 21,650,355 |
| Year ended 30 September 2023: | | | | |
| Profit and total comprehensive income | - | - | 1,757,314 | 1,757,314 |
| Dividends | 9 | - | (1,500,000) | (1,500,000) |
| Balance at 30 September 2023 | 100,000 | 176,900 | 21,630,769 | 21,907,669 |
| Year ended 30 September 2024: | | | | |
| Profit and total comprehensive income | - | - | 752,237 | 752,237 |
| Balance at 30 September 2024 | 100,000 | 176,900 | 22,383,006 | 22,659,906 |

BODYPOWER SPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 Accounting policies

Company information

Bodypower Sports Limited is a private company limited by shares incorporated in England and Wales. The registered office is 13 Gate Lodge Close, Round Spinney, Northampton, Northamptonshire, NN3 8RJ.

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.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Bodypower Sports Holdings Limited. These consolidated financial statements are available from its registered office, 13 Gate Lodge Close, Round Spinney, Northampton, Northamptonshire, NN3 8RJ.

1.2 Going concern

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

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for fitness goods provided in the normal course of business, and is shown net of value added tax and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

BODYPOWER SPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

| | |
|--------------------------------|-------------------------|
| Leasehold improvements | 20% straight line |
| Plant and machinery | 20% - 30% straight line |
| Fixtures, fittings & equipment | 10% - 20% straight line |
| Motor vehicles | 33% 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 profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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 costs to sell and value in use. In assessing value in use, the estimated 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 profit or loss, 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 reasons 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.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

BODYPOWER SPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 Accounting policies

(Continued)

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

BODYPOWER SPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 Accounting policies (Continued)

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

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.

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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

BODYPOWER SPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

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. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

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

| | 2024 | 2023 |
|---|-------------------|-------------------|
| | £ | £ |
| Turnover analysed by class of business | | |
| Sale of goods | 26,513,853 | 29,581,793 |
| | <u>26,513,853</u> | <u>29,581,793</u> |

| | 2024 | 2023 |
|---|-------------------|-------------------|
| | £ | £ |
| Turnover analysed by geographical market | | |
| United Kingdom | 26,513,853 | 29,581,793 |
| | <u>26,513,853</u> | <u>29,581,793</u> |

| | 2024 | 2023 |
|----------------------|------------------|----------------|
| | £ | £ |
| Other revenue | | |
| Interest income | 1,006,551 | 445,821 |
| | <u>1,006,551</u> | <u>445,821</u> |

4 Operating (loss)/profit

| | 2024 | 2023 |
|---|------------------|------------------|
| | £ | £ |
| Operating (loss)/profit for the year is stated after charging/(crediting): | | |
| Fees payable to the company's auditor for the audit of the company's financial statements | 21,700 | 20,000 |
| Depreciation of owned tangible fixed assets | 190,297 | 199,238 |
| Profit on disposal of tangible fixed assets | (35,154) | (11,375) |
| Operating lease charges | 1,125,890 | 1,169,584 |
| | <u>1,282,733</u> | <u>1,377,447</u> |

BODYPOWER SPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

5 Employees

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

| | 2024 Number | 2023 Number |
|----------|----------------|----------------|
| Director | 1 | 1 |
| Staff | 80 | 86 |
| Total | <u>81</u> | <u>87</u> |

Their aggregate remuneration comprised:

| | 2024 £ | 2023 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 2,888,622 | 2,961,773 |
| Social security costs | 282,149 | 295,488 |
| Pension costs | 57,387 | 57,624 |
| | <u>3,228,158</u> | <u>3,314,885</u> |

6 Directors' remuneration

| | 2024 £ | 2023 £ |
|---|---------------|---------------|
| Remuneration for qualifying services | 95,387 | 92,672 |
| Company pension contributions to defined contribution schemes | 1,321 | 1,321 |
| | <u>96,708</u> | <u>93,993</u> |

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2023 - 1).

7 Interest receivable and similar income

| | 2024 £ | 2023 £ |
|---------------------------|------------------|----------------|
| Interest income | | |
| Interest on bank deposits | <u>1,006,551</u> | <u>445,821</u> |

8 Taxation

| | 2024 £ | 2023 £ |
|--|----------------|----------------|
| Current tax | | |
| UK corporation tax on profits for the current period | 257,343 | 521,766 |
| Adjustments in respect of prior periods | (295) | 168 |
| Total current tax | <u>257,048</u> | <u>521,934</u> |

BODYPOWER SPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

| 8 Taxation | (Continued) | |
|--|-------------------|-------------------|
| | 2024 | 2023 |
| | £ | £ |
| Deferred tax | | |
| Origination and reversal of timing differences | (3,162) | (21,449) |
| | <u> </u> | <u> </u> |
| Total tax charge | 253,886 | 500,485 |
| | <u> </u> | <u> </u> |

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

| | 2024 | 2023 |
|--|-------------------|-------------------|
| | £ | £ |
| Profit before taxation | 1,006,123 | 2,257,799 |
| | <u> </u> | <u> </u> |
| Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2023: 22.01%) | 251,531 | 496,942 |
| Tax effect of expenses that are not deductible in determining taxable profit | - | 2,631 |
| Effect of change in corporation tax rate | - | (2,567) |
| Depreciation on assets not qualifying for tax allowances | 2,507 | 4,035 |
| Other permanent differences | 143 | (724) |
| Under/(over) provided in prior years | (295) | 168 |
| | <u> </u> | <u> </u> |
| Taxation charge for the year | 253,886 | 500,485 |
| | <u> </u> | <u> </u> |
| 9 Dividends | | |
| | 2024 | 2023 |
| | £ | £ |
| Final paid | - | 1,500,000 |
| | <u> </u> | <u> </u> |

BODYPOWER SPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

| 10 Tangible fixed assets | Leasehold improvements | Plant and machinery | Fixtures, fittings & equipment | Motor vehicles | Total |
|------------------------------------|---------------------------|------------------------|-----------------------------------|----------------|------------------|
| | £ | £ | £ | £ | £ |
| Cost | | | | | |
| At 1 October 2023 | 653,739 | 663,647 | 601,245 | 463,436 | 2,382,067 |
| Additions | 54,708 | 10,276 | 28,008 | 72,803 | 165,795 |
| Disposals | (521) | (2,084) | (8,045) | (88,226) | (98,876) |
| At 30 September 2024 | <u>707,926</u> | <u>671,839</u> | <u>621,208</u> | <u>448,013</u> | <u>2,448,986</u> |
| Depreciation and impairment | | | | | |
| At 1 October 2023 | 581,762 | 556,571 | 548,311 | 350,278 | 2,036,922 |
| Depreciation charged in the year | 37,049 | 52,944 | 12,081 | 88,223 | 190,297 |
| Eliminated in respect of disposals | (521) | (2,084) | (8,045) | (82,790) | (93,440) |
| At 30 September 2024 | <u>618,290</u> | <u>607,431</u> | <u>552,347</u> | <u>355,711</u> | <u>2,133,779</u> |
| Carrying amount | | | | | |
| At 30 September 2024 | <u>89,636</u> | <u>64,408</u> | <u>68,861</u> | <u>92,302</u> | <u>315,207</u> |
| At 30 September 2023 | <u>71,977</u> | <u>107,076</u> | <u>52,934</u> | <u>113,158</u> | <u>345,145</u> |

| 11 Stocks | 2024 £ | 2023 £ |
|-------------------------------------|------------------|------------------|
| Finished goods and goods for resale | <u>6,422,925</u> | <u>7,199,488</u> |

| 12 Debtors | 2024 £ | 2023 £ |
|---|------------------|------------------|
| Amounts falling due within one year: | | |
| Trade debtors | 106,383 | 30,860 |
| Corporation tax recoverable | - | 95,658 |
| Amounts due from fellow group undertakings | 2,605,722 | 2,297,091 |
| Other debtors | 227,027 | 75,133 |
| Prepayments and accrued income | 2,625,331 | 1,814,372 |
| | <u>5,564,463</u> | <u>4,313,114</u> |

BODYPOWER SPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

13 Creditors: amounts falling due within one year

| | 2024 | 2023 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Trade creditors | 2,828,361 | 2,542,791 |
| Amounts owed to group undertakings | 2,806,779 | 2,565,290 |
| Corporation tax | 157,390 | - |
| Other taxation and social security | 63,374 | 404,439 |
| Other creditors | 1,240,779 | 1,135,364 |
| Accruals and deferred income | 1,562,720 | 1,502,952 |
| | <u>8,659,403</u> | <u>8,150,836</u> |

14 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

| | Liabilities 2024 | Liabilities 2023 |
|--------------------------------|---------------------|---------------------|
| | £ | £ |
| Balances: | | |
| Accelerated capital allowances | 60,876 | 64,058 |
| Short term timing differences | (1,030) | (1,050) |
| | <u>59,846</u> | <u>63,008</u> |
| | | 2024 |
| | | £ |
| Movements in the year: | | |
| Liability at 1 October 2023 | | 63,008 |
| Credit to profit or loss | | (3,162) |
| | | <u>59,846</u> |

The deferred tax liability set out above is expected to reverse within 10 years and relates to accelerated capital allowances that are expected to mature within the same period.

15 Retirement benefit schemes

| | 2024 | 2023 |
|---|---------------|---------------|
| | £ | £ |
| Defined contribution schemes | | |
| Charge to profit or loss in respect of defined contribution schemes | 57,387 | 57,624 |
| | <u>57,387</u> | <u>57,624</u> |

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

BODYPOWER SPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

16 Share capital

| | 2024 | 2023 | 2024 | 2023 |
|---|---------|---------|---------|---------|
| Ordinary share capital Issued and fully paid | Number | Number | £ | £ |
| Ordinary shares of £1 each | 100,000 | 100,000 | 100,000 | 100,000 |

17 Reserves

Share premium

This reserve records the amount above the nominal value received for shares issued, less transaction costs.

Profit and loss reserves

This reserve includes all current and prior period retained profits and losses.

18 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2024 | 2023 |
|----------------------------|------------------|------------------|
| | £ | £ |
| Within one year | 659,283 | 715,200 |
| Between two and five years | 866,627 | 1,327,723 |
| In over five years | - | 46,950 |
| | <u>1,525,910</u> | <u>2,089,873</u> |

19 Related party transactions

Transactions with related parties

The company has taken advantage of the exemption available in the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") from the requirements to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by its ultimate parent company.

20 Directors' transactions

Included in creditors is an amount of £329,487 (2023: £384,512) owed by the company to Mr Paul Walker, director.

21 Controlling party

The company's immediate and ultimate parent undertaking is Bodypower Sports Holdings Limited, a company incorporated in the England and Wales. Copies of Bodypower Sports Holdings Limited's financial statements, which incorporate the results of this company, are available from its registered office.

The ultimate controlling party is Mr Paul Walker, the sole director.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.