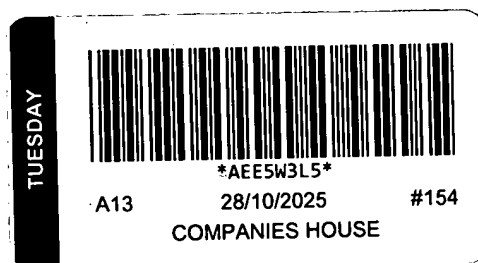


REGISTERED NUMBER: 08770057 (England and Wales)

Strategic Report, Directors' Report and
Audited Financial Statements for the 52 week period ended 1 February 2025
for
JD Sports Gyms Limited



JD Sports Gyms Limited

Contents of the Financial Statements
for the 52 week period ended 1 February 2025

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JD Sports Gyms Limited

Company Information
for the 52 week period ended 1 February 2025

DIRECTORS:

A Peacock
R Schultz
D J Platt

SECRETARIES:

T Casey
Oakwood Corporate Secretary Limited

REGISTERED OFFICE:

Edinburgh House
Hollins Brook Way
Pilsworth
Bury
Lancashire
BL9 8RR

REGISTERED NUMBER:

08770057 (England and Wales)

AUDITORS:

Deloitte LLP
100 Embankment
Cathedral Approach
Manchester
M3 7FB

JD Sports Gyms Limited

Strategic Report for the 52 week period ended 1 February 2025

The Directors present the Strategic report and audited financial statements for the 52 week period ended 1 February 2025.

REVIEW OF BUSINESS

The Directors are delighted to deliver another record year of revenue and underlying profitability following a third consecutive year of double-digit growth. We are pleased to see memberships continuing to increase, reflecting the strength of the JD Gyms proposition, which combines great locations, stylish decor, exceptional equipment provision, and excellent service.

Overall revenue increased by £21.3 million to £122.1 million for the year (2024: £19.8 million increase in revenue to £100.9 million), profit before adjusting items increased by £12.5 million to £42.1 million, and operating profit increased from £7.4m to £44.3m. We continue to benefit from enhanced membership volumes aligned to 24-hour operations and club reinvestment. Albeit, the former brings a one-off increase which is now starting to plateau as we annualise against the 24/7 conversion. In addition, we've successfully grown our underlying yield on the back of selective club-level member price increases.

The business continues to invest in new sites as well as the existing estate. The Company opened eight additional sites during the year (2024: eight) and continues to roll out the JD Gyms concept into new regional markets within the UK. The eight openings in the financial period ending 1 February 2025 include the acquisition of four 'Simply Gym' sites, three of which were subsequently converted to the JD Gyms concept in August 2024.

On 18 March 2024, the company acquired the trade and assets of four 'Simply Gym' sites from Bay Leisure Limited for £3.4 million. The consideration included £1.6 million for fixed assets, with the remaining £1.8 million allocated to goodwill.

Since inception, organic growth has been the main focus for the Company's expansion, but we will continue to take advantage of targeted acquisitions where appropriate and are actively looking for opportunities which would enhance the rollout of the JD Gyms fascia.

The Company finished the period with 92 sites (2024: 85) and approximately 572,000 members (2024: 536,000). All sites barring one remaining Simply Gym are now trading as JD Gyms, including 34 which formerly operated under the Xercise4less ('X4L') banner. The X4L conversion programme is now complete following the conversion of Stockon North and closure of Hounslow during the year.

Following completion of the X4L conversion programme there has been a significant focus on converting sites to 24-hour operations (10 converted during the period), ensuring our members have access to facilities whenever they choose. The 24/7 conversion programme is now largely complete with 74 of the 92 sites trading with 24-hour operations at the period end. The remaining feasible sites will be converted during 2025 leaving a small number which will remain non 24/7 due to various operational complexities. All new organic openings will open with 24-hour provisions where possible.

This is complemented by our continual reinvestment programme emphasised on refurbishing older sites (3 full refurbishments completed in the financial year) to ensure members continue to experience a premium environment with the latest equipment. Furthermore, we continue to review proposition on a club-by-club basis to ensure we meet the ever-changing needs of our members including the introduction of JD Hybrid classes, kit reinvestment and studio conversions.

In addition to improvements in member volumes, the Directors have also continued to review the pricing strategy which has seen the introduction of both £24.99 and £25.99 monthly price points during the year. The ongoing evolution of our pricing strategy is successfully contributing to a significant yield improvement year on year.

The Directors are confident that the selective price increases implemented during 2025 continue to offer our members best in class value at those clubs impacted, typically being linked to an improvement in proposition such that any price increase is more readily absorbed by those members impacted.

On 16 October 2024, the company sold back its 60% shareholding in Total Swimming Holdings Limited to the minority shareholders for cash consideration of £7.2 million, in addition to management waiving their right to contractual contingent consideration of £2.0 million. Associated impairments were recognised during 2024 (£17.7m included within the £22.1m adjusting items) and thus there has been further improvement in profit before tax with £38.7m delivered in the current year (2024: -£0.0m). A net gain on disposal has been recognised within adjusting items in the current period of £2.2m in relation to this transaction.

JD Sports Gyms Limited

Strategic Report

for the 52 week period ended 1 February 2025

REVIEW OF BUSINESS - continued

	52 week period ended 1 February 2025 £'000	53 week period ended 3 January 2024 £'000
Turnover	122,141	100,877
Operating profit/(loss)	44,290	29,569
Profit before tax	37,977	(29)
Number of gyms	92	85
Number of members	572,000	536,000

PRINCIPAL RISKS AND UNCERTAINTIES

Any business undertaking will involve some risk with many risk factors common to any business regardless of what sector it operates in. However, the Directors consider that certain risks and uncertainties are more specific to the Company and the sports and fitness sector in which it operates. These risks and uncertainties include the following:

- The location and influence of competitors;
- Impact of new property developments on the existing store portfolio;
- Regulatory and legal risks, such as changes in health and safety legislation
- General economic factors, such as the impact of the cost of living crisis on demand for leisure activities

Mitigating actions to these risks include:

- Property risk – ensuring that the portfolio of gyms is constantly reviewed, monitoring local planning and negotiating with landlords for break clauses and early exit opportunities in leases.
- Regulatory and legal risks – ensuring regular legal and compliance reviews and maintain high health and safety protocols to build member confidence.
- Economic risk – ensuring the Company continues to provide low-commitment membership options to reduce financial barriers.

The Directors continue to endeavour to manage these risks and uncertainties to the extent possible within the business.

Financing and financial risk management

The Company's policy is to maintain a balance of funds, generated through operations and group borrowings, sufficient to meet the anticipated short and long term financial requirements. The key risks and uncertainties in this area include:

- Liquidity risk - liquidity risk arises from the company's management of working capital and the financing of its operations. The Company ensures that it has sufficient cash or access to funding facilities to meet its obligations as they fall due and prepares regular cash flow forecasts with constant review of actual performance vs forecast.
- Credit risk – credit risk arises from customers unable to pay monthly membership fees. The Company mitigates this by offering short-term low-commitment membership types, as well as being able to revoke membership privileges in the event of non-payment.
- Cash flow risk - the Company is exposed to cash flow risk arising from the timing and variability of cash inflows and outflows. Cash flow risk is mitigated by ensuring the Company holds adequate cash reserves, preparing cash flow forecasts and regularly reviewing actual performance against projections.

SECTION 172(1) STATEMENT

The statement by the board describes how the responsibilities under S172(1)(a) to (f) of the Companies Act 2006 have been approached in the financial period ended 1 February 2025. Section 172 requires the board to have regard, amongst other matters, to the:

- Likely consequences of any decisions in the long term;
- Interests of the company's employees;
- Need to foster the company's business relationships with suppliers, customers and others;
- Impact of the company's operations on the community and environment;
- Desirability of the company maintaining a reputation for high standards of business conduct, and
- Need to act fairly as between members of the company.

JD Sports Gyms Limited

Strategic Report

for the 52 week period ended 1 February 2025

SECTION 172(1) STATEMENT - continued

The directors consider that they have acted in good faith to promote the success of the company on behalf of the stakeholders, in relation to matters set out in S172 of the Act.

The Company's key stakeholders are its employees, customers, and suppliers, as well as JD Sports Fashion Plc and its subsidiaries ('JD Group') as a whole. The views of and the impact of the Company's activities on these stakeholders are an important consideration for the directors when making relevant decisions. While there are cases where the board itself considers that it should engage directly with certain stakeholder groups or on certain issues, the size and spread of our stakeholders means that generally our stakeholder engagement best takes place at an operational or Group level. Directors receive feedback on the engagement undertaken by management. This is a more efficient and effective approach and helps us achieve a greater positive impact on environmental, social and other issues than by working alone as an individual company. For example, we engage through colleague surveys, environmental initiatives across the Group and strategy is aligned to Group strategy.

For details on some of the engagement that takes place with the Company's stakeholders please see pages 80 to 86 of the Strategic Report of the 2025 Annual Report and Accounts of JD Sports Fashion Plc.

Examples of how we have had regard to the matters set out in section 172(1)(a)-(f) when discharging our section 172 duty and the effect of that on decisions taken by us are set out below.

Board Activity	Board Consideration
Financial and operational performance	<p>The directors reviewed the financial and operational position of the company to consider the strategic direction and long term viability of the Company and ensure that future liabilities could be met. The directors review the business plan and progress against the plan periodically and against the annual budget, together with updates on sales, operating costs and cash generation.</p> <p>See Note 2, basis of preparation for the directors assessment of the company's ability to continue as a going concern.</p>
Risk management	<p>The board has oversight of the most significant risks facing the company and the arrangements in place to mitigate these risks. Any strategic decisions taken by the company take into consideration the Group's code of conduct, brand and reputation. Risk management is maintained through the governance structure which includes a variety of meetings and forums which risks can be highlighted and monitored.</p>
Strategy	<p>The directors monitor and review strategic objectives against long term growth plans and regular reviews at management and board level are held across the business in key areas. These areas being financial performance, business operations, human resources and risks and opportunities.</p> <p>The directors are overall responsible for delivery the company's strategy and for ensuring high standard of governance. The main objective of the directors is to promote the long-term success of the company to generate benefit for the stakeholders. Through the next financial period, the directors will continue to review, improve, and challenge the engagement with all stakeholders.</p>

JD Sports Gyms Limited

Strategic Report

for the 52 week period ended 1 February 2025

SECTION 172(1) STATEMENT - continued

Board Activity	Board Consideration
Wider stakeholder engagement	<p>The directors recognise the importance of keeping employees informed of all matters concerning them and does this in several ways including verbal and written communications. The views and interests of employees are considered in solicitation with them through regular surveys. Our colleagues know we value their opinion. Our improved wellbeing offering across the world is a direct result of the feedback we have received from our Global Engagement Survey and Colleague Engagement Forums.</p> <p>Our network of engagement channels ensures our colleagues have a voice during key moments such as Pride Month, International Women's Day and Inclusion Week. We consult colleagues when putting on DEI activities across the business, using our colleagues' personal stories. These channels have also resulted in the introduction of incentives and competitions in our gyms, as well as special treats arranged for events such as Halloween and Peak Trade.</p> <p>The company has built a reputation of excellent customer service. The company, through senior management and employees, and as well as through the JD Group, strives continuously to improve in every aspect of the products its supplies and service it provides.</p>

FUTURE DEVELOPMENTS

The directors anticipate a positive outlook for the business in the forthcoming financial year, with an expected increase in the level of activity across both new and existing sites. This growth is driven by a combination of strategic investment, increased consumer demand for health and wellness services, and enhanced operational capacity.

OTHER INFORMATION

There have been no events since the balance sheet date that have a bearing on the Strategic Report or Directors Report.

APPROVED BY THE BOARD AND SIGNED ON ITS BEHALF BY:

Signed by:

 4394D6C6DA8C494...

 D J Platt - Director

Date: 12 September 2025

JD Sports Gyms Limited

Directors' Report for the 52 week period ended 1 February 2025

The Directors present their report with the financial statements of the company for the 52 week period ended 1 February 2025.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of the provision of sport and leisure facilities to club members in the United Kingdom. JD Gyms offers seriously stylish, seriously affordable, award winning facilities across prime locations and plays host to a bespoke mix of industry leading fitness equipment and an exciting range of fitness classes.

DIVIDENDS

The Directors do not recommend the payment of a dividend either in the year or after year end (2024: £nil).

DIRECTORS

The directors shown below have held office during the whole of the period from 4 February 2024 to the date of this report.

A Peacock
R Schultz
D J Platt

POLITICAL DONATIONS AND EXPENDITURE

The Company made no political contributions or charitable donations during the period (2024: £nil).

GOING CONCERN

The Directors have performed a going concern assessment for the period to January 2027, including preparation of profit forecasts and consideration of the cash position of the Company. The Directors have prepared severe but plausible downside scenarios which cover the same period as the base case, taking account of reasonably possible downsides and the anticipated continued impact of the 'cost of living crisis' on the operations and its financial resources, as well as specific consideration of a range of impacts that could arise from another significant public health event which would impact the Company's ability to operate from its gym sites, both at a local and national level.

In addition, the company is in receipt of a letter of support from its immediate parent Company, JD Sports Fashion Plc, to meet its liabilities as they fall due for that period, recognising that the company is in a net current liabilities position. The Company's immediate parent has considerable financial resources, with access throughout the forecast period to a £700 million syndicated committed borrowing facility as at the date of signing these accounts (of which £36 million was drawn down as at 1 February 2025).

The Directors have considered the factors noted above and are confident that the Company has adequate resources to continue to meet all liabilities as and when they fall due for a period of at least 12 months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

GREENHOUSE GAS EMISSIONS AND ENERGY CONSUMPTION

As the Company is part of a Group, the Company's greenhouse gas emissions and energy consumption for the period is consolidated and available with the annual report of the parent company, JD Sports Fashion Plc. Copies of the consolidated financial statements of JD Sports Fashion Plc are available to the public and can be obtained from the address detailed in note 25 to these financial statements.

OTHER INFORMATION

There have been no events since the balance sheet date that have a bearing on the Strategic Report or Directors Report.

ENGAGEMENT WITH EMPLOYEES

The Company is committed to promoting equal opportunities in employment regardless of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race (which includes colour, nationality and ethnic or national origins), religion or belief, sex or sexual orientation. Recruitment, promotion and the availability of training and development at all areas within the Company are based on the suitability and merit of any applicant for the job and full and fair consideration is always given to disabled persons in such circumstances.

Should an employee become disabled during their employment by the Company, every effort is made to continue the employment, development and training of the employee in question within their existing capacity wherever practicable, or failing that, in an alternative suitable capacity.

The Company has continued throughout the year to provide employees with relevant information and to seek their views on matters of common concern. Priority is given to ensuring that employees are aware of all significant matters affecting the Company's performance and of any significant organisational changes.

JD Sports Gyms Limited

Directors' Report

for the 52 week period ended 1 February 2025

ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS

The company is part of the JD Group, which holds the status as a premier global strategic partner with key international brands, which is an important factor in the success of the company and of the JD Group as a whole. The company follows the JD Groups Ethical Code of Practice, which follows the principles of the International Labour Organisation ('ILO') and assessment and audits are carried out prior to onboarding of suppliers. Full transparency on factory location and audit status, enables our Compliance team to engage in progressive improvement on a continual basis. Close collaboration and continual assessment ensure that fundamental health and safety measures are in place and that the monitoring and safeguarding of the basic human rights of those workers are paramount to the operations of the supply chain in order to comply with the programme. The company, as part of the JD Group, carries out regular audits of factories and engages in extensive due diligence to ensure we understand where the products are manufactured and the working conditions in those environments. This extends to our Gyms environments, and any staff working in the gyms.

There continues to be high expectations and elevated demands from consumers for seamless experiences, stretching across a wide range of digital, gym facilities and social touchpoints. Such demand has extended, with customers not just expecting a seamless experience from retailers but from their partners too. The JD Group launched the 'Global Voice of the Customer' project in 2023, which aims to capture customer feedback through a number of touchpoints for retail, gyms, and digital customers and is analysed to improve the customer experience, share best practice, and utilise the Group's pool of expertise. This project successfully expanded into new markets across the group in 2025, while enhancing feedback methods within existing markets. The Group's customer service team is also working on a unification of resources and systems to deliver an excellent customer experience for all JD Group customers, including gym members. In pursuit of this, the customer service team is utilising AI support, self-serve development and first contact resolution tools, which collectively have resulted in an improved and more efficient service for our customers.

DIRECTOR INDEMNITIES

The Company is part of the JD Group, which maintains Directors' and Officers' liability insurance which provides appropriate cover for legal action brought against its Directors and Officers. Supplementing this insurance, the Group has also granted indemnities to its Directors and Officers to the extent permitted by law. These indemnities qualify as third-party indemnity provisions under section 234 of the Companies Act 2006. Neither the insurance or indemnity applies where the relevant Director is proven to have been guilty of fraud or wilful misconduct.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

AUDITORS

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Deloitte LLP will therefore continue in office.

APPROVED BY THE BOARD AND SIGNED ON ITS BEHALF BY:

Signed by:

.....4394D6C6DA8C494.....
D J Platt - Director

Date: 12 September 2025

JD Sports Gyms Limited

Statement of Directors' Responsibilities
for the 52 week period ended 1 February 2025

The Directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 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 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 estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of JD Sports Gyms Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of JD Sports Gyms Limited:

- give a true and fair view of the state of the company's affairs as at 1 February 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework" and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 27

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (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.

Independent auditor's report to the members of JD Sports Gyms Limited

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.

Auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These include the General Data Protection Regulations (GDPR) and relevant Health and Safety legislation.

We discussed among the audit engagement team including relevant internal specialists such as tax and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our procedures performed to address it are described below:

- **Manual deferral of Revenue:** We have pinpointed our fraud risk in revenue to be to the cut-off assertion. Monthly revenue is recognised on the date cash is received from customers, and a manual adjustment is required to defer the portion of Revenue that relates to gym access beyond the financial period ended 1 February 2025. The deferral adjustment is a manual calculation and therefore could be manipulated to over/under recognise revenue. As such we have determined this presents a significant risk due to fraud. In order to address this risk we have performed the following procedures:
 - We have performed a walkthrough over the end-to-end process for recording of revenue from the point of sale through to the general ledger and substantively tested the underlying information which is used as the basis for the deferral calculation. This has been done by taking the cashbook data by day to show the total cash receipt, which we have then agreed back to the bank statement to verify the amount and dates the deferral is based upon agrees back to the bank. We have also tested the arithmetical accuracy of managements calculations to ensure there is no manipulation of the calculations.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

Independent auditor's report to the members of JD Sports Gyms Limited

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

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

Report on other legal and regulatory requirements

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 the directors' report have been prepared in accordance with applicable legal requirements.

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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

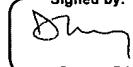
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

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.

Signed by:

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Douglas King (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
100 Embankment
Cathedral Approach
Manchester
M3 7FB

Date: 12 September 2025

JD Sports Gyms Limited

Statement of Profit and Loss and Other Comprehensive Income
for the 52 week period ended 1 February 2025

		52 week period ended 1 February 2025 £'000	53 week period ended 3 February 2024 £'000
	Notes		
REVENUE	3	122,141	100,877
Selling and distribution costs		(78,031)	(69,314)
Administrative expenses		<u>(5,515)</u>	<u>(4,094)</u>
		38,595	27,469
Other operating income	4	<u>3,472</u>	<u>2,100</u>
Profit before adjusting items		42,067	29,569
Adjusting items	7	<u>2,223</u>	<u>(22,144)</u>
OPERATING PROFIT		44,290	7,425
Interest receivable	8	619	2,593
Interest payable	9	<u>(6,932)</u>	<u>(10,047)</u>
PROFIT/(LOSS) BEFORE TAXATION	10	37,977	(29)
Tax on profit/(loss)	11	<u>(7,747)</u>	<u>(5,816)</u>
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD		30,230	(5,845)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD		<u><u>30,230</u></u>	<u><u>(5,845)</u></u>

There are no other incomes or costs and consequently no separate statement of comprehensive income has been prepared.


Revenue and operating profit are all derived from continuing operations.

The notes form part of these financial statements

JD Sports Gyms Limited (Registered number: 08770057)Balance Sheet
1 February 2025

	Notes	2025 £'000	2024 £'000
FIXED ASSETS			
Intangible assets	12	17,094	15,296
Tangible assets	13	77,056	72,662
Right-of-use assets	19	85,256	82,246
Investments	14	-	-
		<u>179,406</u>	<u>170,204</u>
CURRENT ASSETS			
Stocks	15	302	193
Debtors	16	7,646	12,611
Cash at bank		<u>2,840</u>	<u>9,922</u>
		10,788	22,726
CREDITORS: amounts falling due within one year	17	<u>(43,392)</u>	<u>(95,477)</u>
NET CURRENT LIABILITIES		<u>(32,604)</u>	<u>(72,751)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		146,802	97,453
CREDITORS: amounts falling due after more than one year	18	(101,345)	(83,046)
PROVISIONS FOR LIABILITIES	20	<u>(7,251)</u>	<u>(6,431)</u>
NET ASSETS		<u>38,206</u>	<u>7,976</u>
CAPITAL AND RESERVES			
Called up share capital	21	-	-
Retained earnings		<u>38,206</u>	<u>7,976</u>
SHAREHOLDERS' FUNDS		<u>38,206</u>	<u>7,976</u>

The financial statements were approved by the Board of Directors and authorised for issue on 12 September 2025 and were signed on its behalf by:

Signed by:

 4394D6C6DA8C494...
 D J Platt - Director

The notes form part of these financial statements

JD Sports Gyms Limited

Statement of Changes in Equity
for the 52 week period ended 1 February 2025

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 29 January 2023	-	13,821	13,821
Changes in equity			
Total comprehensive expense	-	(5,845)	(5,845)
Balance at 3 February 2024	-	7,976	7,976
Changes in equity			
Total comprehensive income	-	30,230	30,230
Balance at 1 February 2025	-	38,206	38,206

The notes form part of these financial statements

JD Sports Gyms Limited

Notes to the Financial Statements
for the 52 week period ended 1 February 2025

1. STATUTORY INFORMATION

JD Sports Gyms Limited is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page. The principal activity of the company in the period under review was that of the provision of sport and leisure facilities to club members in the United Kingdom.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The financial statements are prepared on the historical cost basis and are presented in pounds sterling, rounded to the nearest thousand.

The Company's immediate parent undertaking, JD Sports Fashion Plc includes the Company in its consolidated financial statements. The consolidated financial statements of JD Sports Fashion Plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the address in note 25. The company is exempt from the requirement to prepare group accounts in line with the requirements of Section 400 of Companies Act 2006 as it is itself a subsidiary undertaking and its immediate parent undertaking, JD Sports Fashion Plc holds 90% or more of the allotted shares in the company and the remaining shareholders have approved the exemption.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Certain disclosures regarding revenue;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- IAS 12 temporary exception of the accounting requirement for deferred taxes such that an entity neither recognises nor discloses information regarding deferred tax assets and liabilities in respect of Pillar Two Model Rules

As the consolidated financial statements of JD Sports Fashion Plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IAS 36 "Impairment of assets" in respect of the impairment of goodwill and indefinite life intangible assets;
- Certain disclosures required by IFRS 3 "Business Combinations" in respect of business combinations undertaken by the Company in the period; and
- The disclosures required by IFRS 7 "Financial Instrument Disclosures".

These financial statements are drawn up for the 52 weeks to 1 February 2025 ("the financial year"). The comparative figures are for the 53 weeks to 3 February 2024. The Company's reporting period follows the Group's retail calendar and therefore alternates between 52- week and 53- week periods. As such, the prior period information may not be entirely comparable.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

JD Sports Gyms Limited

Notes to the Financial Statements - continued
for the 52 week period ended 1 February 2025

2. **ACCOUNTING POLICIES - continued**

Going concern

As at 1 February 2025, the Company had net assets of £38.2 million (2024: £8.0 million), and net current liabilities of £32.6 million (2024: £72.8 million). The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for reason detailed below.

The Directors have performed a going concern assessment for the period to January 2027, including preparation of profit forecasts and consideration of the cash position of the Company. The Directors have prepared severe but plausible downside scenarios which cover the same period as the base case, taking account of reasonably possible downsides and the anticipated impact of the current 'cost of living crisis' on the operations and its financial resources, as well as specific consideration of a range of impacts that could arise from another significant public health event which would impact the Company's ability to operate from its gym sites, both at a local and national level.

In addition, the company is in receipt of a letter of support from its immediate parent Company, JD Sports Fashion Plc, to meet its liabilities as they fall due for that period. The Company's immediate parent has considerable financial resources, with access throughout the forecast period to a £700 million syndicated committed borrowing facility as at the date of signing these accounts (of which £36 million was drawn down as at 1 February 2025).

The Directors have considered the factors noted above and are confident that the Company has adequate resources to continue to meet all liabilities as and when they fall due for a period of at least 12 months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The judgements, estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below:

JD Sports Gyms Limited

Notes to the Financial Statements - continued
for the 52 week period ended 1 February 2025

2. ACCOUNTING POLICIES – continued

Critical accounting judgements and key sources of estimation uncertainty - continued

Critical accounting judgements

(i) Adjusting items

The Company exercises judgement in assessing whether items should be classified as adjusting items. This assessment covers the nature of the item, cause of occurrence and scale of impact of that item on the reported performance. In determining whether an item should be presented as adjusting items, the Company considers items which are significant because of either their size or their nature. In order for an item to be presented as adjusting items, it should be material in the view of the directors, and it should typically meet at least one of the following criteria:

- impairment of intangibles and investments recognised on acquisition;
- it is unusual in nature or outside the normal course of business;
- profit/(loss) on disposal of subsidiary undertakings; or
- items directly incurred as a result of either an acquisition or a divestment, or arising from a major business change or restructuring programme.

The separate reporting of items, which are presented as adjusted items within the relevant category in the profit and loss account, helps provide an indication of the Company's trading performance in the normal course of business.

Key sources of estimation uncertainty

There are no key sources of estimate uncertainty deemed to have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

Accounting Policies

Revenue

Revenue from the sale of fitness and leisure club memberships is recognised in the period the membership relates to. Where there are specific obligations attached to joining fees, the income related to this is recognised in the period in which membership commences since the performance obligation attached to that income is satisfied in that period. Where there are no specific performance obligations attached to joining fees, these are recognised over time, on a straight-line basis over the expected duration of the membership. For new club openings, memberships are sold and joining fees are collected in the period before the new club is opened. Membership income received in advance of the club opening is deferred until the club is open and then recognised on an accruals basis over the related membership period. Revenue from vending machines is recognised at the point of time of the transaction, in line with when the performance obligation is satisfied.

Personal Training Income

Revenue from personal training services is recognised in accordance with IFRS 15, Revenue from Contracts with Customers. Income is recognised at the point in time when the training session takes place, reflecting the satisfaction of the performance obligation to the customer. Amounts received in advance for sessions not yet delivered are recognised as deferred income within creditors.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantively enacted by the balance sheet date.

(i) Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences in respect of the initial recognition of assets or liabilities that affect neither accounting nor taxable profit are not provided for. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

JD Sports Gyms Limited

Notes to the Financial Statements - continued
for the 52 week period ended 1 February 2025

2. ACCOUNTING POLICIES - continued

Cash and cash equivalents

Cash and cash equivalents include cash in hand, uncleared credit card receipts, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts

Leases

The Company, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments.

The Company leases assets which consist of properties, vehicles and equipment. The most significant leases in size for the company are its gym sites.

The Company assesses whether a contract is or contains a lease based on the definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Company recognises a right-of-use asset and lease liability at the lease commencement date. Lease liabilities are measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate. Right of use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments plus any initial direct costs incurred, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. A right-of-use asset's useful economic life is determined on the same basis as for land and buildings recognised in property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted at the rate implicit in the lease. If the rate implicit in the lease is not readily available then payments are discounted using the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate in the assessment of whether a purchase or extension option is reasonably certain to be exercised.

JD Sports Gyms Limited

Notes to the Financial Statements - continued
for the 52 week period ended 1 February 2025

2. ACCOUNTING POLICIES - continued

Leases – continued

Where revised lease terms involve a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease then these changes are accounted for as a lease modification. Any revised consideration and / or revised lease length are taken into account in a remeasurement calculation that includes a revised discount rate at the effective date of the modification of terms. The revised discount rate is determined as the lessee's incremental borrowing rate at the effective date of the modification.

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needed. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised.

The Company has also applied judgement to determine the lease term for some lease contracts in which it is a lessee that either have no specified end date, or where the Company continues to occupy the property despite the contractual lease end date having passed. In determining the lease term, the Company takes into consideration its commercial strategy on a property-by-property basis and the future intentions of the Company regarding the duration of continuing occupation of the property. For lease contracts falling into these parameters, the associated lease liability is calculated at the present value of the minimum lease payments over the estimated lease term, discounted at the Group's incremental cost of borrowing. A corresponding right-of-use asset is also recognised.

The Company presents right-of-use assets that do not meet the definition of investment property separately on the face of the Balance Sheet. The Company presents lease liabilities separately on the face of the Balance Sheet.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Impairment of Right of Use assets:

For impairment testing purposes, the Company has determined that each store is a separate cash-generating unit (CGU). Each store CGU is tested for impairment at the balance sheet date if any indicators of impairment have been identified. Further details of the impairment testing process can be found in the consolidated financial statements of JD Sports Fashion Plc.

Employee benefit costs

The company operates a defined contribution pension scheme. Contributions payable to the Company's pension scheme are charged to the income statement in the period to which they relate.

JD Sports Gyms Limited

Notes to the Financial Statements - continued
for the 52 week period ended 1 February 2025

2. ACCOUNTING POLICIES - continued

Interest payable and similar expenses

Interest payable and similar charges comprise interest payable on interest bearing intercompany loans and borrowings. Financial expenses are recognised in the profit and loss account on an effective interest basis.

Interest receivable and similar income

Interest receivable and similar income comprise interest receivable on intercompany loans. Financial income is recognised in the profit and loss account on an effective interest basis.

Financial instruments

Financial assets and financial liabilities are recognised in the Balance Sheet when the Company becomes party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or are transferred. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Company.

The Company measures goodwill at the acquisition date as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to groups of cash-generating units (CGU's). It is not amortised but is tested annually for impairment.

JD Sports Gyms Limited

Notes to the Financial Statements - continued
for the 52 week period ended 1 February 2025

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

(i) Owned assets

Items of tangible fixed assets are stated at cost less accumulated depreciation and impairment losses. Where parts of an item of tangible fixed assets have different useful economic lives, they are accounted for as separate items.

(ii) Leased assets

Assets funded through finance leases and similar hire purchase contracts and those previously classified as operating leases are now recognised in the balance sheet under IFRS 16 Leases as a right of use asset. Note 19 describes the recognition and subsequent measurement of leased assets under IFRS 16.

(iii) Depreciation

Depreciation is charged to the Profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

- Improvements to short leasehold properties: life of lease on a straight-line basis
- Fixtures and fittings: 5-10 years depending on subcategory of assets, or length of lease if shorter, on a straight-line basis.
- Computer equipment: 3-4 years on a straight-line basis
- Right of use assets: life of lease on a straight-line basis

Investments in subsidiary undertakings

All investments in subsidiary undertakings are stated at cost less provisions for impairment losses. Investments in subsidiary undertakings are tested annually for impairment.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost less impairment losses. A provision for the impairment of trade and other debtors is made using the expected credit loss method in accordance with IFRS 9. The movement in the provision is recognised in the profit and loss account.

Trade and other creditors

Trade and other creditors are non-interest bearing and recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Provisions

A provision is recognised in the Balance Sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and the obligation can be estimated reliably. Provisions are determined by discounting expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Impairment

The carrying amounts of the Company's non-current assets are reviewed annually to determine whether there is any indication of impairment. An impairment review is performed on individual cash-generating units ('CGUs').

JD Sports Gyms Limited**Notes to the Financial Statements - continued**
for the 52 week period ended 1 February 2025**3. REVENUE**

The revenue and profit (2024 - loss) before taxation are attributable to the one principal activity of the company.

An analysis of revenue by class of business is given below:

	52 week period ended 1 February 2025 £'000	53 week period ended 3 February 2024 £'000
Membership income	117,215	97,053
Vending income	<u>4,926</u>	<u>3,824</u>
	<u>122,141</u>	<u>100,877</u>

4. OTHER OPERATING INCOME

	52 week period ended 1 February 2025 £'000	53 week period ended 3 February 2024 £'000
Miscellaneous other income	<u>3,472</u>	<u>2,100</u>

Miscellaneous other income mainly represents personal training.

5. EMPLOYEES AND DIRECTORS

	52 week period ended 1 February 2025 £'000	53 week period ended 3 February 2024 £'000
Wages and salaries	19,508	16,019
Social security costs	1,272	1,081
Other pension costs	<u>291</u>	<u>258</u>
	<u>21,071</u>	<u>17,358</u>

The average number of employees during the period was as follows:

	52 week period ended 1 February 2025	53 week period ended 3 February 2024
Sales and distribution	1,126	887
Administration	<u>77</u>	<u>67</u>
	<u>1,203</u>	<u>954</u>

The average number of full time equivalent staff employed during the period was 615 (2024: 519).

JD Sports Gyms Limited**Notes to the Financial Statements - continued
for the 52 week period ended 1 February 2025****6. DIRECTORS' REMUNERATION**

	52 week period ended 1 February 2025 £'000	53 week period ended 3 February 2024 £'000
Director's emoluments	1,377	439
Pension contributions	15	12

The amounts disclosed above relate to the highest paid director. During the period there was one (2024: one) director within the defined contribution scheme. There is no defined benefit pension scheme. No options were exercised by the Directors during the period to 1 February 2025. Please see page 133 of the Strategic Report of the 2025 Annual Report and Accounts of JD Sports Fashion Plc for details of awards receivable by the Directors under the Group's Long-Term Incentive Plan ('LTIP').

Messrs Platt and Schultz received no remuneration from the Company in the current or prior period; these fees being borne by the Parent Company, JD Sports Fashion Plc

On 28 October 2024, JD Sports Fashion Plc acquired a further 2.5% minority shareholding in the company, from the director Mr. A Peacock. Total consideration paid was £4.7 million. JD Sports Fashion Plc now owns 97.5% of the Company.

7. ADJUSTING ITEMS

	52 week period ended 1 February 2025 £'000	53 week period ended 3 February 2024 £'000
Adjusting items	2,223	(22,144)

Adjusting items in the period relate to the gain on disposal of the investment in Total Swimming Holdings Limited (£2.2m).

In the prior period, the adjusting items mainly relate to the impairment of the investment in Total Swimming Holdings Limited (£17.7m) and the loss on disposal of the investment in GymNation Holdings Limited (£4.4m).

8. INTEREST RECEIVABLE

Interest receivable for the year relates to interest on the loan to Swim Sports Company Limited of £0.6 million (2024: £0.6 million). The interest receivable in the prior also included interest on a loan with a GymNation Limited of £2.0 million. The Group's investment in GymNation Limited was disposed of in the prior year and therefore no equivalent interest income has arisen in the current year.

9. INTEREST PAYABLE

	52 week period ended 1 February 2025 £'000	53 week period ended 3 February 2024 £'000
Intercompany interest payable	1,911	5,561
Interest on lease liabilities	5,021	4,486
	6,932	10,047

Intercompany interest payable relates to interest on loans from JD Sports Fashion Plc (2024: same). See note 17 for further details on the loan payable.

JD Sports Gyms Limited**Notes to the Financial Statements - continued**
for the 52 week period ended 1 February 2025**10. PROFIT/(LOSS) BEFORE TAXATION**

The profit /(loss) before taxation is stated after charging/(crediting):

	52 week period ended 1 February 2025 £'000	53 week period ended 3 February 2024 £'000
Auditor's remuneration:		
Audit of these financial statements	215	150
Depreciation and amortisation of fixed assets:		
Depreciation of tangible fixed assets	16,227	14,958
Depreciation of right-of-use assets	10,968	11,340
Impairment of tangible assets	-	118
(Gain)/loss on disposal of tangible fixed assets	(4)	211
Interest on lease liabilities	5,021	4,486
Investment impairment	-	15,337
Expected Credit Loss provision	-	2,248
Cost of inventory recognised as an expense	<u>1,622</u>	<u>1,640</u>

No other fees were payable to the auditor, Deloitte LLP, in the period ended 1 February 2025 (2024: none).

11. TAXATION**Analysis of tax expense**

	52 week period ended 1 February 2025 £'000	53 week period ended 3 February 2024 £'000
Current tax:		
UK Corporation Tax on profits for the current period	8,842	4,095
Adjustments in respect of prior periods	<u>(1,915)</u>	<u>226</u>
Total current tax	<u>6,927</u>	<u>4,321</u>
Deferred tax:		
Deferred tax	501	1,495
Adjustments to prior periods	<u>319</u>	<u>-</u>
Total deferred tax	<u>820</u>	<u>1,495</u>
Total tax expense in statement of profit and loss and other comprehensive income	<u><u>7,747</u></u>	<u><u>5,816</u></u>

JD Sports Gyms Limited**Notes to the Financial Statements - continued
for the 52 week period ended 1 February 2025****11. TAXATION - continued****Factors affecting the tax expense**

The tax assessed for the period is lower (2024: higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	52 week period ended 1 February 2025 £'000	53 week period ended 3 February 2024 £'000
Profit/(loss) before income tax	<u>37,977</u>	<u>(29)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 25% (2024 - 24%)	9,494	(7)
Effects of:		
Expenses not deductible	(338)	5,334
Depreciation and impairment of non-qualifying non-current assets	187	303
Loss on disposal of non-qualifying non-current assets	-	15
Change in tax rate	-	60
UK research and development tax credits and other allowances	-	(115)
Adjustments in respect of prior periods	<u>(1,596)</u>	<u>226</u>
Tax expense	<u>7,747</u>	<u>5,816</u>

OECD Pillar Two Global Minimum Tax

The OECD Pillar Two Global Anti-Base Erosion (GloBE) Rules ("Pillar Two") introduce a global minimum corporation tax rate of 15% applicable to multinational enterprise groups with global revenue over €750m. All participating OECD members are required to incorporate these rules into national legislation.

JD Sports Gyms Limited is a subsidiary of Pentland Group Holdings Limited ("the Pentland Group"). The determination is made at the level of the Pentland Group, which exceeds the revenue threshold. Accordingly, the Company falls within the scope of Pillar Two through its membership of the wider Pentland Group. The Pillar Two rules applied to the Pentland Group for its accounting period commencing 4 February 2024.

On 23 May 2023, the International Accounting Standards Board (IASB) amended IAS 12 to introduce a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules. On 19 July 2023 the UK Endorsement Board adopted the IASB amendments to IAS 12.

The Pentland Group has performed an assessment of its exposure to Pillar Two income taxes and for the period ended 1 February 2025. On the basis of this assessment the Company does not expect to incur a Pillar Two charge in its own right. Any liability in respect of the wider Pentland Group will be accounted for at the consolidated level.

The Company does not meet the threshold for application of the OECD Pillar One transfer pricing rules.

12. INTANGIBLE FIXED ASSETS

	Goodwill £'000
COST	
At 4 February 2024	15,296
Additions	<u>1,798</u>
At 1 February 2025	<u>17,094</u>
NET BOOK VALUE	
At 1 February 2025	<u>17,094</u>
At 3 February 2024	<u>15,296</u>

JD Sports Gyms Limited

Notes to the Financial Statements - continued for the 52 week period ended 1 February 2025

12. INTANGIBLE FIXED ASSETS - continued

On 28 December 2017, JD Sports Gyms Limited acquired 100% of the issued ordinary share capital of Ben Dunne Gyms (UK) Limited for cash consideration of £1. The trade and assets of Ben Dunne Gyms (UK) Limited were transferred at fair value, with goodwill of £1.0 million arising as a result of this transfer with the Company assuming £2.0 million of net debt as part of the transaction. Following the acquisition, the Company name was changed to JD Sports Gyms Acquisitions Limited. On 27 September 2018, JD Sports Gyms Limited acquired the trade and assets of Helio Bolton for cash consideration of £0.4 million. This consideration included £0.2 million for fixed assets, with the remaining £0.2 million allocated to Goodwill.

On 22 July 2020, the Company acquired, via its 100% owned subsidiary X4L Gyms Limited, the business and certain assets of Wright Leisure Limited trading as Xercise4less for cash consideration of £24.2 million following the Wright Leisure Group being placed into Administration on the same date. Xercise4less was a UK-based value-gym chain with 50 operational clubs at the date of Administration, offering low-cost contract and non-contract memberships to its members from large operational facilities nationwide. This consideration included £10.1 million for the net identifiable assets at acquisition, with the remaining £14.1 million allocated to Goodwill within X4L Gyms Limited.

On 30 November 2020, the assets of seven of the originally acquired sites were transferred into JD Sports Gyms Limited from X4L Gyms Limited, of which £2.4 million of the original goodwill recognised at acquisition was transferred to the Company. The transfer amount is equal to the book value of goodwill for those sites at the date of acquisition and therefore represent a transfer at nil gain or loss.

By 30 November 2021, the remaining assets of all of the originally acquired sites were transferred into JD Sports Gyms Limited from X4L Gyms Limited, of which the remaining £11.7 million of the original goodwill recognised at acquisition was transferred to the Company. The transfer amount is equal to the book value of goodwill for those sites at the date of acquisition and therefore represent a transfer at nil gain or loss. The Company therefore now holds the total original goodwill recognised at acquisition of £14.1 million.

On 18 March 2024, the company acquired the trade and assets of four 'Simply Gym' sites from Bay Leisure Limited for £3.4 million. The consideration included £1.6 million for fixed assets, with the remaining £1.8 million allocated to goodwill.

The goodwill is tested annually for impairment and whenever there is an indication that the goodwill may be impaired. The recoverable amount is determined based on value-in-use calculations. The review performed as at the 1 February 2025 indicates the recoverable amount exceeds the current reported value of the goodwill, therefore no impairment provision has been recognised for the period (2024: none).

13. TANGIBLE FIXED ASSETS

	Short leasehold £'000	Fixtures and fittings £'000	Computer equipment £'000	Totals £'000
COST				
At 4 February 2024	19,004	96,727	1,128	116,859
Additions	522	19,975	241	20,738
Disposals	(143)	(326)	(5)	(474)
At 1 February 2025	19,383	116,376	1,364	137,123
DEPRECIATION				
At 4 February 2024	6,505	37,019	673	44,197
Charge for period	2,158	13,839	230	16,227
Impairments	-	85	-	85
Eliminated on disposal	(139)	(298)	(5)	(442)
At 1 February 2025	8,524	50,645	898	60,067
NET BOOK VALUE				
At 1 February 2025	10,859	65,731	466	77,056
At 3 February 2024	12,499	59,708	455	72,662

Additions of fixtures and fittings in the period primarily relate to capital expenditure at existing gym sites, along with additions in respect of new gym sites.

JD Sports Gyms LimitedNotes to the Financial Statements - continued
for the 52 week period ended 1 February 2025**14. INVESTMENTS**

	Shares in group undertakings £'000
COST	
At 4 February 2024	15,337
Disposals	<u>(15,337)</u>
At 1 February 2025	—
PROVISIONS	
At 4 February 2024	15,337
Eliminated on disposal	<u>(15,337)</u>
At 1 February 2025	—
NET BOOK VALUE	
At 1 February 2025	<u>—</u>
At 3 February 2024	<u>—</u>

The subsidiary undertakings are as follows:

	Value of investment	Place of registration	Nature of business and operations	Ownership interest and voting rights
JD Sports Gyms Acquisitions Limited	£1	Hollinsbrook Way, Pilsworth, Lancashire, BL9 8RR, UK	Dormant	100%
X4L Gyms Limited	£1	Hollinsbrook Way, Pilsworth, Lancashire, BL9 8RR, UK	Dormant	100%

Total Swimming Holdings Ltd

On 16 October 2024, the Company disposed of its 60% shareholding in Total Swimming Holdings Limited & its subsidiaries for a total consideration of nil. The investment in the company had previously been impaired in full during the period ended 3 February 2024.

15. STOCKS

	2025 £'000	2024 £'000
Stocks	<u>302</u>	<u>193</u>

Included in cost of stocks is a provision of £nil (2024: £nil).

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £'000	2024 £'000
Trade debtors	73	264
Amounts owed by other group undertakings	-	9,250
Other debtors	2,844	363
Tax	1,765	-
Prepayments and accrued income	<u>2,964</u>	<u>2,734</u>
	<u>7,646</u>	<u>12,611</u>

Amounts owed by other group undertakings in the prior period included a £25 million rolling credit facility with Total Swimming Holdings Limited which attracted interest at 2% above the base rate, of which £10.9 million was drawn down as at the period ended 3 February 2024. An assessment of the recoverability of this balance was performed at the prior period end and based on this assessment, an impairment provision of £2.3 million was recognised against this balance. The balance was settled (net of the provision) during the current period and no amounts remain receivable as at the end of the period. Other debtors includes an amount of £1,411,000 expected to be repaid after more than one year from the period end (2024: none).

JD Sports Gyms Limited**Notes to the Financial Statements - continued**
for the 52 week period ended 1 February 2025**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2025	2024
	£'000	£'000
Leases	10,176	10,516
Amounts owed to immediate parent company	10,623	59,469
Tax	-	985
Social security and other taxes	6,754	6,305
Deferred consideration	700	2,298
Accruals and deferred income	<u>15,139</u>	<u>15,904</u>
	<u>43,392</u>	<u>95,477</u>

Amounts owed to the immediate parent company includes balances of £10,623k (2024: £10,411k) due to JD Sports Fashion Plc. The balances are unsecured and repayable on demand.

Amounts owed the immediate parent company in the prior period included a £49,058k loan with JD Sports Fashion Plc.

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2025	2024
	£'000	£'000
Leases	88,323	83,046
Amounts owed to immediate parent company	<u>13,022</u>	<u>-</u>
	<u>101,345</u>	<u>83,046</u>

Amounts owed to the immediate parent company relates to a loan balance of £13,022k due to JD Sports Fashion Plc which attracts interest at 2% above the base rate. The balance is secured against the assets of the company, expected to be settled in cash and not due to be repaid within 12 months of the period end.

JD Sports Gyms LimitedNotes to the Financial Statements - continued
for the 52 week period ended 1 February 2025**19. LEASING****Right-of-use assets**

	2025	2024
	£'000	£'000
NBV		
Opening balance	82,246	84,614
Additions	14,470	10,909
Disposals	-	(1,070)
Remeasurements	117	(867)
Impairments	(609)	-
Depreciation charge for the year	(10,968)	(11,340)
	<u>85,256</u>	<u>82,246</u>

The Company leases various gym premises under non-cancellable lease agreements, as well as a small number of vehicles and IT equipment. The leases have various terms, escalation clauses and renewal rights. Information about leases for which the Company is a lessee is presented below. Leases of IT equipment and some vehicles are low-value items, therefore the Company has elected not to recognise right-of-use assets and lease liabilities for these leases. The Company presents right-of-use assets in 'tangible fixed assets', the same line item as it presents underlying assets of the same nature that it owns.

The Company presents lease liabilities separately within the balance sheet. The carrying amount of the lease liability as at 1 February 2025 is shown below, along with the undiscounted total future minimum rentals payable under non-cancellable lease agreements. As at 1 February 2025, the weighted average discount rate applied to the lease portfolio of the Company is 5.1% (2024: 5.1%). Future minimum rentals payable on land and buildings represent the base rents that are due on each property over the non-cancellable lease term, being usually the earliest date at which the lease can be exited.

	2025	2024
	£'000	£'000
Maturity analysis - contractual undiscounted cash flows:		
Within one year	14,757	14,454
Later than one year and not later than five years	54,579	52,249
After five years	<u>60,476</u>	<u>58,361</u>
Total undiscounted lease liabilities	<u>129,812</u>	<u>125,064</u>

Lease liabilities

	2025	2024
	£'000	£'000
Current lease liabilities	10,176	10,516
Non-current lease liabilities	<u>88,323</u>	<u>83,046</u>
Total lease liabilities	<u>98,499</u>	<u>93,562</u>

Amounts recognised within profit and loss are shown below:

	2025	2024
	£'000	£'000
Interest on lease liabilities	5,021	4,486
Depreciation of right-of-use assets	10,968	11,340
Impairment of right-of-use assets	609	-
Payments	14,803	14,562

20. PROVISIONS FOR LIABILITIES

	2025	2024
	£'000	£'000
Deferred tax	<u>7,251</u>	<u>6,431</u>

JD Sports Gyms LimitedNotes to the Financial Statements - continued
for the 52 week period ended 1 February 2025**20. PROVISIONS FOR LIABILITIES - continued**

	Deferred tax
	£'000
Balance at 4 February 2024	6,431
Charge to Statement of Profit and Loss and Other Comprehensive Income during period	<u>820</u>
Balance at 1 February 2025	<u><u>7,251</u></u>

Deferred tax liabilities are attributable to the following:

	Assets	Assets	Liabilities	Liabilities	Net	Net
	2025	2024	2025	2024	2025	2024
	£000	£000	£000	£000	£000	£000
Tangible fixed assets	<u>-</u>	<u>-</u>	<u>(7,251)</u>	<u>(6,431)</u>	<u>(7,251)</u>	<u>(6,431)</u>

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:
Number: Class:

		Nominal	2025	2024
		value:	£	£
75	A Ordinary	£1	75	75
25	B Ordinary	£1	<u>25</u>	<u>25</u>
			<u>100</u>	<u>100</u>

The total number of issued ordinary shares was 100 with a par value of £1.00 per share. All shares are fully paid.

The capital structure of the Company comprises issued share capital and retained earnings. The policy adopted by the Directors is to seek to improve the capital base of the Company so as to maintain creditor confidence and to sustain future development of the business. On a show of hands at a general meeting, every holder of ordinary shares present in person shall have one vote, and on a poll every member shall have one vote for each share of which he is the holder. Subject to the relevant statutory provisions and the Company's Articles of Association, holders of ordinary shares are entitled to a dividend where declared or paid out of profits available for such purposes. Subject to the relevant statutory provisions and the Company's Articles of Association, on a return of capital on a winding-up, holders of ordinary shares are entitled to participate in such a return equally in proportion to their shareholding.

22. CONTINGENT LIABILITIES

It is inevitable that commercial claims and disputes may arise from time to time during the course of the Company's business. If the risk of a financial outflow arising from one of these disputes is more than remote but not probable or cannot be measured reliably then the Company will disclose this matter as a contingent liability. If the risk of a financial outflow is considered probable and can be measured reliably then the Company would make a provision for this matter. Further, the activities of the Company are overseen by a number of regulators and, whilst the Company strives to ensure full compliance with all its regulatory obligations, periodic reviews are inevitable which may result in a financial penalty. If the risk of a financial penalty arising from one of these reviews is more than remote but not probable or cannot be measured reliably then the Company will disclose this matter as a contingent liability. If the risk of a financial penalty is considered probable and can be measured reliably then the Company would make a provision for this matter. There are no matters to disclose as at 1 February 2025 (2024: none).

23. CAPITAL COMMITMENTS

The Company has no capital commitments as at 1 February 2025 within the following twelve months from the balance sheet date (2024: £nil).

JD Sports Gyms Limited

Notes to the Financial Statements - continued for the 52 week period ended 1 February 2025

24. RELATED PARTY TRANSACTIONS

Transactions and balances with related parties during the period are shown below. Transactions were undertaken in the ordinary course of business. Outstanding balances are unsecured and will be settled in cash.

JD Sports Fashion Plc

As at 1 February 2025, JD Sports Fashion Plc owned 97.5% of JD Sports Gyms Limited.

	Value of transactions 2025 £000	(Creditor)/ debtor at period end 2025 £000	Value of transactions 2024 £000	(Creditor)/ debtor at period end 2024 £000
Interest expense	1,911	-	5,561	-
Total amount owed to JD Sports Fashion Plc:				
Intercompany loan	36,436	(13,022)	39,343	(49,458)
Other intercompany balances	(3,799)	(10,623)	(29)	(6,827)

The interest bearing part of the intercompany loan payable attracts interest at base rates plus a margin of 2.0%.

Total Swimming Holdings Limited

During the period, the Company disposed of its 60% shareholding in Total Swimming Holdings and its subsidiaries for cash consideration of £11.3 million. A gain of £2.2 million on disposal of this shareholding has been recognised in the current period. As at the 1 February 2025, the Company held no investment or balances with Total Swimming Holdings.

In the previous period, the Company had a £25m rolling credit facility with Total Swimming Holdings Limited, of which £10.9m was drawn down at the end of that period. Interest on this facility was charged at 2% above base rate. Interest receivable on this facility during the period amounted to £0.6 million.

Applied Nutrition Plc

The immediate parent company, JD Sports Fashion Plc, has a 9.8% shareholding in Applied Nutrition Plc (formerly Applied Nutrition Limited) as at 1 February 2025 (2024: 31.4%).

During the 52 week period ended 1 February 2025, the company made purchases of inventory totalling £1,215,000 (2024: £802,000). No balance was owed in relation to these purchases as at the period end date (2024: none).

Other

On 28 October 2024, JD Sports Fashion Plc acquired a further 2.5% minority shareholding in the company, from the director Mr. A Peacock. Total consideration paid was £4.7 million. Following this transaction, JD Sports Fashion Plc owns 97.5% of the ordinary share capital of the company.

25. PARENT COMPANY

The Company is a subsidiary undertaking of JD Sports Fashion Plc, which is the smallest group in which the Company is a member and for which Group Financial Statements are drawn up. JD Sports Fashion Plc is registered in England. Copies of the consolidated financial statements of JD Sports Fashion Plc are available to the public and may be obtained from the Company Secretary, Edinburgh House, Hollinsbrook Way, Pilsworth, Bury, BL9 8RR or online at www.jdplc.com.

26. ULTIMATE CONTROLLING PARTY

The ultimate parent undertaking is Pentland Group Holdings Limited (a company registered in Jersey). R S Rubin and his close family are considered the ultimate controlling party by virtue of their control of Pentland Group Holdings Limited. Consolidated financial statements will be prepared by Pentland Group Holdings Limited, which is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements for the period ended 1 February 2025. The consolidated financial statements of Pentland Group Holdings Limited can be obtained from the company's registered office at 26 New Street, St Helier, Jersey, JE2 3RA.

27. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through to the date the financial statements were available to be issued. No events or transactions have occurred during this period that would require recognition or disclosure in the financial statements.