

Precor Fitness Limited

Annual report and financial statements

For the year ended 30 June 2025

Registered number: 12409708

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Precor Fitness Limited

Company Information

Directors	E G Reves C A Macfarlane
Registered number	12409708
Registered office	1 Langley Street London W2CH 9JG
Independent auditor	Buzzacott Audit LLP Statutory auditor 130 Wood Street London EC2V 6DL

Precor Fitness Limited

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Precor Fitness Limited

Strategic report

For the year ended 30 June 2025

Introduction

The Directors present their Strategic Report for the year ended 30 June 2025.

Business review

The Principal activity of the company is the supply of premium commercial fitness and wellness equipment.

The loss for the year ended 30 June 2025 is £5,772,320 (Year ended 30 June 2024: £9,701,150).

The company's key financial and other performance indicators during the period were as follows:

	2025	2024 (as restated)
	£	£
Revenue	19,868,930	11,465,169
Gross profit	3,178,560	1,053,417
Loss before tax	(5,772,320)	(9,701,150)
Employee count	41	36

The company's revenue increased by 73.3% this year compared to the prior year. Revenue is earned through sales directly into the UK market, sales to other members of the group within EMEA, and distributors in EMEA. The company has seen increases in sales across each of these areas as there has been continued improvements related to increased product offerings released in past and current periods, continued focus on bringing on new customers and engaging with existing customers who are looking to refresh their equipment.

Gross profit has continued to grow with the improvements in the EMEA market place for Precor products, directly in the UK and with sales to our EMEA entities.

Loss before tax reduced significantly as we began to see reduced losses in the EMEA region.

Employee numbers have increased to support the growth in the business both directly in the UK and the EMEA region.

The EMEA business is an important component of the overall group, and we continue to see and expect to see growth in this region, with new products and new customer relationships in our core direct countries, as well as those countries where we sell through distributors support this growth.

Precor Fitness Limited

Strategic report (continued)

For the year ended 30 June 2025

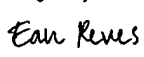
Principal risks and uncertainties

The company has established risk management process which evaluates the company's main risks. The principal risk and uncertainties are broadly grouped as follows:

- **Competitive risks**
The health and fitness market is very competitive. This is a direct risk to the company's revenue. The company focuses on how best to address its customers, focusing on product breadth, developments within the sector and how the company can ensure that they can competitively offer to their customers.
- **Foreign exchange risk**
The company's activities expose it to financial risk of changes in foreign currency, primarily in US dollars, Euros and Swiss Francs. The risk is considered material. Key currency transactions are entered into with group entities and are effectively managed at the group level.
- **Liquidity risk**
Liquidity risk arises from the company's management of working capital. It is the risk that the company will encounter difficulty in meeting its financial obligations as they fall due. The company reviews cash and cash requirements on a weekly basis and reports into the wider group information on its cash balances to the Group Treasury department. In addition, the company has a letter of support from its ultimate parent, stating that it will provide the company with necessary funding to ensure that it has adequate resources to meet commitments as they fall due for a period of at least 12 months from the signing of this report.
- **Cyber attack and data security**
The company could face disruption or damage to brand reputation arising from cyber attacks and data security breaches. Detection tools and monitoring are in place. The company's security operations team proactively seeks to identify and respond to threats.

This report was approved by the board on 30th June 2026

and signed on its behalf by:

Signed by:

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E G Reves
Director

Precor Fitness Limited

Directors' report

For the year ended 30 June 2025

The directors present their annual report and the financial statements of Precor Fitness Limited ('the company') for the year ended 30 June 2025.

Directors

The directors who served during the year were:

C A Macfarlane
D L Grosz (resigned 30 September 2025)
M Stanton (resigned 12 March 2026)

E G Reves was appointed as a director on 1 March 2026.

Results and dividends

The loss for the year, after taxation, amounted to £5,772,320 (2024 - loss £9,701,150).

No dividends were declared or paid during the year (2024 - £nil).

Directors' responsibilities statement

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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Future developments and subsequent events

Continued focus will be on growth in the EMEA region, be it increasing business in Direct sale countries or in those countries where we operate through distributors. There are no subsequent events that Directors have identified that are impactful enough to be disclosed.

Precor Fitness Limited

Directors' report (continued)

For the year ended 30 June 2025

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.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, Buzzacott Audit LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 30th June 2026

and signed on its behalf by:

Signed by:

Ean Reves

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E G Reves

Director



Independent auditor's report to the members of Precor Fitness Limited

For the year ended 30 June 2025

Opinion

We have audited the financial statements of Precor Fitness Limited (the 'company') for the year ended 30 June 2025, which comprise the Statement of income and retained earnings, the Statement of financial position, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2025 and of its loss 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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.



Independent auditor's report to the members of Precor Fitness Limited (continued)

For the year ended 30 June 2025

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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 3, 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.



Independent auditor's report to the members of Precor Fitness Limited (continued)

For the year ended 30 June 2025

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.

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:

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the Senior Statutory Auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we made enquiries of management as to where they considered there was susceptibility to fraud, and their knowledge of actual, suspected and alleged fraud;
- we identified the laws and regulations that could reasonably be expected to have material effect on the financial statements of the company through discussions with key management at the planning stage;
- the audit team held a discussion to identify any particular areas that were considered susceptible to misstatement, including with respect to fraud and non-compliance with laws and regulations; and
- we focused our planned audit work on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company including the Companies Act 2006, employment legislation and taxation legislation.

We assessed the extent of compliance with the laws and regulations identified above through:

- making enquiries of management;
- inspecting legal expenditure throughout the period for any potential litigation or claims; and
- considering the internal controls in place that are designed to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- determined the susceptibility of the company to management override of controls by checking the implementation of controls and enquiring of individuals involved in the financial reporting process;
- reviewed journal entries during the period to identify any unusual transactions;
- performed analytical procedures to identify any large, unusual or unexpected transactions and investigated any large variances from the prior period;
- reviewed accounting estimates and evaluated where judgements or decisions made by management indicated bias on the part of the company's management; and
- carried out substantive testing of expenditure.

Buzzacott

Independent auditor's report to the members of Precor Fitness Limited (continued)

For the year ended 30 June 2025

Auditor's responsibilities for the audit of the financial statements (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included:

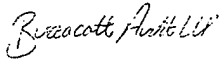
- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. 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.



Simon Wax (Senior statutory auditor)
for and on behalf of
Buzzacott Audit LLP
Statutory auditor
130 Wood Street
London
EC2V 6DL
Date: 30 June 2026

Precor Fitness Limited

Statement of income and retained earnings

For the year ended 30 June 2025

		2025	2024
		£	(as restated) £
	Note		
Turnover	4	19,868,930	11,465,169
Cost of sales		(16,690,370)	(10,411,752)
Gross profit		3,178,560	1,053,417
Distribution costs		(4,092,306)	(3,215,517)
Administrative expenses		(4,227,127)	(6,930,044)
Operating loss	5	(5,140,873)	(9,092,144)
Interest receivable and similar income	9	1,900	-
Interest payable and similar expenses	10	(633,347)	(609,006)
Loss before tax		(5,772,320)	(9,701,150)
Tax on loss	11	-	-
Loss after tax		(5,772,320)	(9,701,150)
Retained earnings at the beginning of the year		(44,047,670)	(34,346,520)
		(44,047,670)	(34,346,520)
Loss for the year		(5,772,320)	(9,701,150)
Retained earnings at the end of the year		(49,819,990)	(44,047,670)

All amounts relate to continuing operations.

There were no recognised gains and losses for 2025 or 2024 other than those included in the statement of income and retained earnings.

The notes on pages 11 to 23 form part of these financial statements.

Precor Fitness Limited - Registered number:12409708

Statement of financial position

As at 30 June 2025

	Note	2025 £	2024 (as restated) £
Fixed assets			
Tangible assets	12	17,250	24,442
Current assets			
Stocks	13	6,527,517	5,815,881
Debtors	14	4,751,845	3,509,818
Cash at bank and in hand	15	1,730,416	138,519
		<u>13,009,778</u>	<u>9,464,218</u>
Creditors: amounts falling due within one year	16	(45,086,950)	(36,635,904)
Net current liabilities		<u>(32,077,172)</u>	<u>(27,171,686)</u>
Total assets less current liabilities		<u>(32,059,922)</u>	<u>(27,147,244)</u>
Creditors: amounts falling due after more than one year	17	(17,431,400)	(16,811,567)
Provisions for liabilities			
Other provisions	18	(328,568)	(88,759)
		<u>(328,568)</u>	<u>(88,759)</u>
Net liabilities		<u>(49,819,890)</u>	<u>(44,047,570)</u>
Capital and reserves			
Called up share capital	19	100	100
Profit and loss account	20	(49,819,990)	(44,047,670)
		<u>(49,819,890)</u>	<u>(44,047,570)</u>

The financial statements were approved and authorised for issue by the board on 30th June 2026 and were signed on its behalf by:

Signed by:

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E G Reves
 Director

The notes on pages 11 to 23 form part of these financial statements.

Precor Fitness Limited

Notes to the financial statements

For the year ended 30 June 2025

1. General information

Precor Fitness Limited is a private limited company limited by shares, incorporated in England & Wales. Its company registration number is 12409708 and its registered office is 1 Langley Street, London, W2CH 9JG.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent 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.

The financial statements of the company are consolidated in the financial statements of Peloton Interactive, Inc.

The consolidated financial statements are available from the Peloton investor website, at <https://investor.onepeloton.com/>.

The following principal accounting policies have been applied:

Precor Fitness Limited

Notes to the financial statements

For the year ended 30 June 2025

2. Accounting policies (continued)

2.2 Going concern

The directors have considered the current economic climate and its impact on the company's operations, with a particular focus on its effect on the company's customers, supplier, members and employees.

The company made a loss for the year of £5,772,320 and was in a net liability position of £49,819,890 as at 30 June 2025. However, the company has received confirmation from the ultimate controlling party, Peloton Interactive Inc. and its key supplier, Precor Inc. that the supply agreement will not be terminated and financial support will continue to be provided as required, for a period of at least 12 months from the date of signature of the financial statements. The company, and region, is also actively seeking a growth in external sales contracts and opportunities, to reduce its reliance on this group support.

The directors do not consider this to be cause for material uncertainty in respect of the company's ability to continue as a going concern, having reviewed the business plans of the company within the context of the wider group's business plan and have satisfied themselves that there are no reasons to expect that group support will not be forthcoming for a period of at least 12 months.

The directors consider that the company has sufficient financial resources to continue for the foreseeable future, therefore, the financial statements have been prepared on a going concern basis.

Underpinning this going concern assessment is the importance of the international region, outside of the US, for the group as a whole, the opportunities to continue the growth that has been witnessed over the last year in the future periods. Existing product portfolios, and future product releases will ensure a strong pipeline of products available to the market and will build further on quality of the products and offerings we have available for our customers. The UK legal entity is the master distributor for the EMEA region and as such is fundamental to the growth of international business of the group.

2.3 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of income and retained earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

Precor Fitness Limited

Notes to the financial statements

For the year ended 30 June 2025

2. Accounting policies (continued)

2.4 Revenue

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Precor Fitness Limited

Notes to the financial statements

For the year ended 30 June 2025

2. Accounting policies (continued)

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.6 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.8 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Motor vehicles	-	25%
Fixtures and fittings	-	25%
Computer equipment	-	33%

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

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

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average cost basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Precor Fitness Limited

Notes to the financial statements

For the year ended 30 June 2025

2. Accounting policies (continued)

2.10 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Provisions

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

2.13 Financial instruments

The company only enters in to basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The directors review stock items on a regular basis for impairment or damage and damaged items are recognised in profit or loss. The lifespan of stock is considered by directors periodically and provisions are made against specific stock items which are considered to be obsolete.

The warranty provision is reviewed at the end of each reporting period in light of expenses incurred during the year on warranty repairs and the warranty terms applied to equipment. Provisions are recognised in profit or loss, based on the best estimate of future costs under warranty claims.

Material judgements and estimates made by the directors in relation to going concern are discussed at 2.2.

Precor Fitness Limited

Notes to the financial statements

For the year ended 30 June 2025

4. Turnover

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

	2025 £	2024 £
Sales of goods and services	19,868,930	11,465,169
	<u>19,868,930</u>	<u>11,465,169</u>

Analysis of turnover by country of destination:

	2025 £	2024 £
United Kingdom	8,311,148	3,421,388
Rest of Europe	9,682,796	7,496,033
Rest of the world	1,874,986	547,748
	<u>19,868,930</u>	<u>11,465,169</u>

5. Operating loss

The operating loss is stated after charging/(crediting):

	2025 £	2024 £
Exchange differences	(2,226,502)	(194,893)
Other operating lease rentals	2,052,817	1,941,201
Depreciation of tangible fixed assets	7,193	3,861
	<u>7,193</u>	<u>3,861</u>

6. Auditor's remuneration

During the year, the company obtained the following services from the company's auditor:

	2025 £	2024 £
Fees payable to the company's auditor for the audit of the company's financial statements	50,000	43,000
Fees payable to the company's auditor in respect of:		
Preparation of the financial statements	5,000	3,000
	<u>5,000</u>	<u>3,000</u>

Precor Fitness Limited**Notes to the financial statements**

For the year ended 30 June 2025

7. Employees

	2025 £	2024 £
Wages and salaries	2,354,077	2,013,377
Social security costs	253,534	215,782
Cost of defined contribution scheme	269,606	216,598
	<u>2,877,217</u>	<u>2,445,757</u>

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

	2025 No.	2024 No.
Administration	21	21
Sales	14	11
Finance	6	4
	<u>41</u>	<u>36</u>

8. Directors' remuneration

The directors received no remuneration, benefits, or other emoluments from the company during the financial year (2024 - £nil).

9. Interest receivable

	2025 £	2024 £
Bank interest receivable	1,900	-
	<u>1,900</u>	<u>-</u>

10. Interest payable and similar expenses

	2025 £	2024 £
Other loan interest payable	11,173	7,427
Loans from group undertakings	622,174	601,579
	<u>633,347</u>	<u>609,006</u>

Precor Fitness Limited

Notes to the financial statements

For the year ended 30 June 2025

11. Taxation

	2025 £	2024 £
Total current tax	-	-

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2024 - higher than) the standard rate of corporation tax in the UK of 25% (2024 - 25%). The differences are explained below:

	2025 £	2024 £
Loss on ordinary activities before tax	(5,772,320)	(9,701,150)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2024 - 25%)	(1,443,080)	(2,447,790)
Deferred tax asset not recognised	1,443,080	2,447,790
Total tax charge for the year	-	-

A potential deferred tax asset of £12,275,714 (2024 - £10,832,634) measured at 25% (2024 - 25%), being the rate that was substantively enacted at the reporting date, has not been recognised due to the current uncertainty over the availability of future taxable profits.

Precor Fitness Limited

Notes to the financial statements

For the year ended 30 June 2025

12. Tangible fixed assets

	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 July 2024	43,647	5,088	6,711	55,446
Disposals	(23,824)	(5,088)	-	(28,912)
At 30 June 2025	19,823	-	6,711	26,534
Depreciation				
At 1 July 2024	24,238	5,088	1,678	31,004
Charge for the year	3,854	-	2,237	6,091
Disposals	(22,723)	(5,088)	-	(27,811)
At 30 June 2025	5,369	-	3,915	9,284
Net book value				
At 30 June 2025	14,454	-	2,796	17,250
At 30 June 2024	19,409	-	5,033	24,442

13. Stocks

	2025 £	2024 £
Raw materials and spare parts	810,613	843,923
Finished goods and goods for resale	5,716,904	4,971,958
	6,527,517	5,815,881

Precor Fitness Limited

Notes to the financial statements

For the year ended 30 June 2025

14. Debtors

	2025	2024 (as restated)
	£	£
Trade debtors	3,856,060	2,748,886
Amounts owed by group undertakings	843,266	649,787
Other debtors	3,268	101,076
Prepayments and accrued income	49,251	10,069
	4,751,845	3,509,818

15. Cash and cash equivalents

	2025	2024
	£	£
Cash at bank and in hand	1,730,416	138,519
	1,730,416	138,519

16. Creditors: amounts falling due within one year

	2025	2024 (as restated)
	£	£
Trade creditors	2,225,293	1,189,896
Amounts owed to group undertakings	40,359,757	33,664,493
Other taxation and social security	264,249	377,007
Other creditors	7,000	51,906
Accruals and deferred income	2,230,651	1,352,602
	45,086,950	36,635,904

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

Precor Fitness Limited

Notes to the financial statements

For the year ended 30 June 2025

17. Creditors: amounts falling due after more than one year

	2025 £	2024 £
Net obligations under finance leases and hire purchase contracts	-	2,341
Amounts owed to group undertakings	17,431,400	16,809,226
	<u>17,431,400</u>	<u>16,811,567</u>

Amounts owed to group undertakings of £17,431,400 (2024: £16,809,226) relates to a loan with Precor Finland OY. The loan incurs annual interest at 3.59% and is repayable in March 2028. The amount of interest charged during the year was £622,174 (2024: £601,579).

18. Provisions

	Warranty provision £
At 1 July 2024	88,759
Charged to profit or loss	239,809
At 30 June 2025	<u>328,568</u>

Precor Fitness Limited**Notes to the financial statements**

For the year ended 30 June 2025

19. Share capital

	2025 £	2024 £
Allotted, called up and fully paid		
100 (2024 - 100) Ordinary shares of £1.00 each	100	100

20. Reserves**Profit and loss account**

The profit and loss account includes all retained profits and losses.

21. Prior year adjustment

A prior year adjustment has been made to the corresponding figures in these financial statements for the company. This was to correct amounts due and from group entities as at 30 June 2024. The error arose from the non-netting of reciprocal balances and incorrect balances recorded for two group entities, identified following an internal review.

The total changes at 30 June 2024 were to:

- decrease amounts due to group undertakings by £21,819,757
- decrease amounts due from group undertakings by £20,842,689
- decrease administrative expenditure by £977,068

Consequently, the loss for the year ended 30 June 2024 was reduced by £977,068, with an equivalent decrease in total liabilities as at 30 June 2024.

22. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £269,606 (2024 - £216,598). Contributions totalling £5,172 (2024 - £8,587) were payable to the fund at the reporting date and are included in creditors.

23. Commitments under operating leases

At 30 June 2025 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2025 £	2024 £
Not later than 1 year	1,742,583	1,763,417
Later than 1 year and not later than 5 years	1,962,119	3,724,449
	3,704,702	5,487,866

Precor Fitness Limited

Notes to the financial statements

For the year ended 30 June 2025

24. Related party transactions

The company has taken the exemption not to include related party transactions between group companies as it is a wholly owned subsidiary.

All individuals who have authority and responsibility for planning, directing and controlling the activities of the company are considered to be key management personnel. Total remuneration in respect of these individuals is £303,180 (2024 - £207,637).

25. Controlling party

The smallest and largest company preparing consolidated financial statements, which include the company, is Peloton Interactive Inc, a company incorporated in the United States. These consolidated financial statements can be obtained from their website.

The immediate parent is Precor Finland OY, a company incorporated in Finland with registered office Konepajankuja 6, 00510 Helsinki.

Peloton Interactive Inc. is the ultimate controlling party of the company, incorporated in the USA.