

Registered number: 05654661

SPORTS SUPPLEMENTS LIMITED

Report and Financial Statements

31 December 2014

(- 17/07/2015)

FRIDAY



A4CATP8Z

A17

24/07/2015

#99

COMPANIES HOUSE

SPORTS SUPPLEMENTS LIMITED

REPORT AND FINANCIAL STATEMENTS 2014

CONTENTS

Page

Officers and professional advisers

1

Directors' report

2

Independent auditor's report

4

Profit and loss account

6

Balance sheet

7

Notes to the financial statements

8

SPORTS SUPPLEMENTS LIMITED

REPORT AND FINANCIAL STATEMENTS 2014

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Mr E Dawes
Mr A Rossiter

SECRETARY

Mr A Rossiter

REGISTERED OFFICE

Unit 1 Gunfleet Business Park
Brunel Way
Colchester
Essex
CO4 9QX

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Cambridge, UK

SPORTS SUPPLEMENTS LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 2014.

The financial statements have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of retail and wholesale sales of nutritional sports products and supplements.

During the 2014 financial year, Sports Supplements Ltd achieved a continued strong growth totalling 57% on 2013, in particular with exceptional growth on the company's BULK POWDERS™ brand of 104% on 2013. This satisfies a now 3 year trend of 100%+ YoY growth of the BULK POWDERS™ brand, outperforming market growth by up to 10 fold. BULK POWDERS™ moved from 68% to 89% of total revenue and this trend is expected to continue, and is as planned.

Growth was both UK and export led, in particular with a further ten successful new country launches, each with fully localised websites, bringing the total to date to twelve. Increase in consumer demand continues and the company is succeeding in both acquisition and retention to satisfy this demand, and despite strong competition within the market, gross margin was also increased on the BULK POWDERS™ brand.

The company invested heavily in both fixed assets (state of the art production machinery and warehousing expansion) and people (with top grade personnel recruited within finance, IT, product development, marketing and operations), in readiness for a significant premises upgrade which took place in February 2015.

This enables an increase in capacity of up to ten times and gives the company a stable and confident infrastructure to focus on achieving continued high growth through 2015 and beyond.

DIRECTORS

The directors who served throughout the year were:

Mr E Dawes
Mr A Rossiter

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

SPORTS SUPPLEMENTS LIMITED

DIRECTORS' REPORT

AUDITOR

Each of the persons who is a director at the date of approval of this annual report confirms 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 he ought to have taken as a director to make himself 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.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them as auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



Mr A Rossiter

Director

Date: 17-7-15

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPORTS SUPPLEMENTS LIMITED

We have audited the financial statements of Sports Supplements Limited for the year ended 31 December 2014 which comprise the profit and loss account, the balance sheet and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPORTS SUPPLEMENTS LIMITED (continued)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit;
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from preparing a strategic report or in preparing the directors' report.

Other matter

As the company was exempt from audit under Section 477 Companies Act 2006 in the prior year we have not audited the corresponding amounts for that year.

Matthew Hall

Matthew Hall FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Cambridge, United Kingdom

17 July 2015

SPORTS SUPPLEMENTS LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 December 2014

	Note	2014 £	2013 (Unaudited - note 2) £
TURNOVER	1,3	10,686,321	6,812,869
Cost of sales		(6,972,554)	(4,670,669)
GROSS PROFIT		3,713,767	2,142,200
Administrative expenses		(3,149,836)	(1,743,654)
Other operating income		16,702	-
OPERATING PROFIT	4	580,633	398,546
Interest payable		(9,961)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		570,672	398,546
Tax on profit on ordinary activities	6	(92,042)	(39,892)
PROFIT FOR THE FINANCIAL YEAR	17	478,630	358,654

SPORTS SUPPLEMENTS LIMITED

BALANCE SHEET 31 December 2014

	Note	2014 £	2013 (Unaudited - note 2) £
FIXED ASSETS			
Intangible assets	8	30,236	33,968
Tangible assets	9	288,616	143,008
Investments	10	3,610	3,506
		<u>322,462</u>	<u>180,482</u>
CURRENT ASSETS			
Stocks	11	2,096,480	1,284,182
Debtors	12	637,561	588,001
Cash at bank and in hand		664,581	64,147
		<u>3,398,622</u>	<u>1,936,330</u>
CREDITORS: amounts falling due within one year	13	<u>(2,214,057)</u>	<u>(1,020,195)</u>
NET CURRENT ASSETS		<u>1,184,565</u>	<u>916,135</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,507,027</u>	<u>1,096,617</u>
CREDITORS: amounts falling due after more than one year	14	<u>(185,913)</u>	<u>-</u>
PROVISIONS FOR LIABILITIES	15	<u>(49,214)</u>	<u>(21,347)</u>
NET ASSETS		<u>1,271,900</u>	<u>1,075,270</u>
CAPITAL AND RESERVES			
Called up share capital	16	100	100
Profit and loss account	17	<u>1,271,800</u>	<u>1,075,170</u>
SHAREHOLDERS' FUNDS		<u>1,271,900</u>	<u>1,075,270</u>

The financial statements have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements of Sports Supplements Limited, registered number 05654661, were approved by the Board of Directors and authorised for issue on 17-7-15.

Signed on behalf of the Board of Directors



Mr A Rossiter
Director

SPORTS SUPPLEMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with the special provisions relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Exemption from preparing consolidated accounts

Group accounts have not been prepared as the subsidiary, Bulk Powders LLC, is dormant and is not material for the purpose of giving a true and fair view.

Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Intangible fixed assets

Intangible assets are stated at cost less amortisation. Amortisation is provided at the following rates:

Website domain and software	Over 2 years
-----------------------------	--------------

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Short term leasehold property	Over period of lease
Plant and machinery	25% reducing balance and straight line over 5 years
Fixtures and fittings	25% reducing balance

Investments

Investments held as fixed assets are stated at cost less provision for any impairment in value.

Leases

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

Stocks

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences, which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

SPORTS SUPPLEMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

1 ACCOUNTING POLICIES (continued)

Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

Going concern

The directors have prepared budgets and cash flow forecasts which reflect the Company's growth strategy, working capital requirements and the risks affecting the business.

The directors are extremely confident that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing annual financial statements.

Research and development

Research and development expenditure is written off to the profit and loss account as incurred.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

2. PRIOR YEAR COMPARATIVES

The comparatives for the year ended 31 December 2013 are unaudited as the company was exempt from audit under Section 477 of the Companies Act 2006.

3. TURNOVER

Turnover arises from the principal activity. No geographical analysis of turnover is given as, in the opinion of the directors, such disclosure would be seriously prejudicial to the interests of the company.

4. OPERATING PROFIT

	2014 £	2013 (Unaudited - note 2) £
Operating profit is stated after charging/(crediting):		
Amortisation - intangible assets	6,298	28,065
Depreciation of tangible assets:		
- owed by the company	53,394	66,884
Research and development expenditure written off	622	4,074
Foreign exchange (gain)/loss	(4,709)	10,777
Fees payable to the Company's auditor for the audit of the Company's accounts	11,500	-
	<u>11,500</u>	<u>-</u>

SPORTS SUPPLEMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2014

5. DIRECTORS' REMUNERATION

	2014 £	2013 (Unaudited - note 2) £
Aggregate remuneration	<u>16,725</u>	<u>15,766</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

Analysis of tax charge in year

	2014 £	2013 (Unaudited - note 2) £
Current tax		
UK corporation tax charge on profit for the year	58,877	55,806
Adjustments in respect of prior periods	<u>5,298</u>	<u>(16,711)</u>
Total current tax	<u>64,175</u>	<u>39,095</u>
Deferred tax		
Origination and reversal of timing differences	30,126	3,477
Effect of change in tax rate on opening liability	(2,093)	(2,681)
Adjustments in respect of prior periods	<u>(166)</u>	<u>1</u>
Total deferred tax (see note 15)	<u>27,867</u>	<u>797</u>
Tax on profit on ordinary activities	<u>92,042</u>	<u>39,892</u>

7. DIVIDENDS

	2014 £	2013 (Unaudited - note 2) £
Interim dividend for the year ended 31 December 2014 of £2,820 (2013 - £2,200) per share	<u>282,000</u>	<u>220,000</u>

Included in the above are dividends totalling £141,000 (2013: £110,000) and £141,000 (2013: £110,000) due to Mr E Dawes and Mr A Rossiter, respectively, during the year.

SPORTS SUPPLEMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2014

8. INTANGIBLE FIXED ASSETS

	Website and software £
Cost	
At 1 January 2014 (unaudited)	124,605
Additions	3,300
Disposals	(59,071)
At 31 December 2014	68,834
Amortisation	
At 1 January 2014 (unaudited)	90,637
Charge for the year	6,298
Disposals	(58,337)
At 31 December 2014	38,598
Net book value	
At 31 December 2014	30,236
At 31 December 2013 (unaudited)	33,968

9. TANGIBLE FIXED ASSETS

	Short term leasehold property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost				
At 1 January 2014 (unaudited)	82,742	251,165	71,113	405,020
Additions	12,347	142,040	44,615	199,002
Disposals	(82,742)	-	-	(82,742)
At 31 December 2014	12,347	393,205	115,728	521,280
Accumulated depreciation				
At 1 January 2014 (unaudited)	82,742	138,570	40,700	262,012
Charge for the year	937	43,168	9,289	53,394
Disposals	(82,742)	-	-	(82,742)
At 31 December 2014	937	181,738	49,989	232,664
Net book value				
At 31 December 2014	11,410	211,467	65,739	288,616
At 31 December 2013 (unaudited)	-	112,595	30,413	143,008

SPORTS SUPPLEMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2014

10. INVESTMENTS HELD AS FIXED ASSETS

	Subsidiary
Cost	
At 1 January 2014 (unaudited)	3,506
Foreign exchange	104
	<hr/>
At 31 December 2014	3,610
	<hr/>

Sports Supplements Limited owns 100% of the share capital in Bulk Powders LLC, a company incorporated in the United States of America. The company is dormant.

11. STOCKS

	2014 £	2013 (Unaudited - note 2) £
Raw materials	717,559	426,414
Work in progress	42,671	37,024
Finished goods and goods for resale	1,336,250	820,744
	<hr/>	<hr/>
	2,096,480	1,284,182
	<hr/>	<hr/>

12. DEBTORS

	2014 £	2013 (Unaudited - note 2) £
Trade debtors	145,906	130,807
Directors' loan accounts	103,000	61,000
Other debtors	388,655	396,194
	<hr/>	<hr/>
	637,561	588,001
	<hr/>	<hr/>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 (Unaudited - note 2) £
Bank loans	376,174	-
Trade creditors	1,402,154	635,259
Corporation tax	58,877	34,293
Other taxation and social security	27,626	19,143
Other creditors	349,226	331,500
	<hr/>	<hr/>
	2,214,057	1,020,195
	<hr/>	<hr/>

The company has a fixed charge on its assets to secure bank facilities.

SPORTS SUPPLEMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

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

	2014 £	2013 (Unaudited - note 2) £
Bank loans	185,913	-
Borrowings are repayable as follows:		
Between one and two years	112,515	-
Between two and five years	73,398	-
	185,913	-

Interest is charged on the bank loans at rates between 2.67% & 2.87% above Bank of England Base Rate.

15. PROVISIONS FOR LIABILITIES

Deferred taxation

	£
Movement in year	
At 1 January 2014 (unaudited)	21,347
Charge for year	27,867
At 31 December 2014	49,214

The provision for deferred taxation is made up as follows:

	2014 £	2013 (Unaudited - note 2) £
Capital allowances in excess of depreciation	49,214	21,347

16. CALLED UP SHARE CAPITAL

	2014 £	2013 (Unaudited - note 2) £
Called up, allotted and fully paid		
100 ordinary shares of £1 each	100	100

SPORTS SUPPLEMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2014

17. STATEMENT OF MOVEMENT IN RESERVES

	Profit and loss account £
At 1 January 2014 (unaudited)	1,075,170
Profit for the financial year	478,630
Dividends: Equity capital (note 7)	(282,000)
	<hr/>
At 31 December 2014	<u>1,271,800</u>

18. CAPITAL COMMITMENTS

The directors have confirmed that there were no capital commitments at 31 December 2014 or 31 December 2013.

19. OPERATING LEASE COMMITMENTS

At 31 December 2014 the company was committed to making the following payments during the next year in respect of operating leases:

	2014 £	2013 (Unaudited - note 2) £
Leases which expire		
Within one year	-	79,000
Between two and five years	168,300	43,000
Over five years	220,000	-
	<hr/>	<hr/>

20. RELATED PARTY TRANSACTIONS

At the current and preceding year end, the directors' current account balances were as follows:

	2014 £	2013 (Unaudited - note 2) £	Maximum in year £
Mr A Rossiter	57,000	20,000	57,000
Mr E Dawes	46,000	41,000	66,000
	<hr/>	<hr/>	<hr/>

No interest is charged on directors' current accounts.

At the balance sheet date, there were no dividends proposed but unpaid to the directors.

21. CONTROLLING PARTY

The company is controlled by A Rossiter and E Dawes who each own 50% of the issued share capital.