

Registered number: 2839366

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## HIGH PERFORMANCE SPORTS LIMITED

### DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2012



## **HIGH PERFORMANCE SPORTS LIMITED**

### **COMPANY INFORMATION**

#### **DIRECTORS**

S J Taylor  
M T Hodges  
A E Seguy

#### **COMPANY SECRETARY**

M T Hodges

#### **REGISTERED NUMBER**

2839366

#### **REGISTERED OFFICE**

The Castle Climbing Centre  
Green Lanes  
London  
N4 2HA

#### **INDEPENDENT AUDITOR**

PKF Littlejohn LLP  
Statutory Auditor  
1 Westferry Circus  
Canary Wharf  
London  
E14 4HD

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## **HIGH PERFORMANCE SPORTS LIMITED**

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## HIGH PERFORMANCE SPORTS LIMITED

### CHAIRMAN'S STATEMENT for the year ended 31 December 2012

I take pleasure in enclosing the Directors' nineteenth annual report and accounts, covering the Company's year ended 31st December 2012

The final profit before taxation for the year of £287,057 (£153,577) represents a rise of some 87% (fall of 15%) year on year. This is taking us back towards the profit levels achieved in 2008 and 2009, our most successful years. I am also pleased to report that Turnover at £1,863,340 (£1,826,302) represents a small rise of some 2%, achieved in challenging economic conditions. The operating efficiencies we identified have been implemented successfully and are responsible for our continued growth in turnover and have had the expected impact on profitability.

The major news for the year was that we received planning permission for the final development phase of The Castle, both inside and outside in the Garden. This was the culmination of more than three years work looking at how to bring our plans for Sustainable development into action. I am pleased to report that the first phase of work started in November, opening up the pumping wells and putting in a mezzanine floor above the café.

The year also saw a period of team growth with both Efua Uiterwijk and Ben Levy stepping up to join Audrey in managing the day to day operations of the business and provide cover for her maternity leave. This leaves us in a much stronger position to deliver the development plans for The Castle and continue our search for a second site.

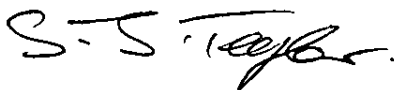
2013 and beyond continue to present us with both challenges and opportunities as we seek to drive operational efficiencies at the same time as progressing the development of The Castle. At the time of writing we have successfully remodeled the climbing walls in the main Engine House to make space for the key stairwell that will link the new phases of development together and on 21st July we held a Garden Party to celebrate the opening of the new Outdoor Boulders overlooking Green Lanes.

For the remainder of the year we are focusing on three items, maintaining the operational activities of our three business areas as we progress our development plans, implementing the planning permission we have achieved and opening more climbing areas within The Castle, and progressing the negotiations to secure one of the new development sites we have identified.

As our development plans progress, we continue to review the level of our cash reserves. We are pleased to report that we have secured a Bank Loan from Barclays to fund the development work at The Castle, which means we are able to progress this at a faster rate than if we were relying solely on cash generated from Operations. As we reported last year we see the continued payment of the Dividend as a key feature of being a Sustainable business and, while we are not able to make a payment this calendar year, we still expect to pay a Dividend before the end of the tax year. As we fund the development work we continue to monitor our cashflow and look forward to resuming regular payments next year – development plans permitting.

Finally, I should like to express my thanks to my colleagues and the staff for their continued and enthusiastic efforts on behalf of the Company.

Steve Taylor  
Chairman



19 September 2013

## **HIGH PERFORMANCE SPORTS LIMITED**

### **DIRECTORS' REPORT for the year ended 31 December 2012**

The Directors present their report and the financial statements for the year ended 31 December 2012

#### **PRINCIPAL ACTIVITIES**

The principal activity of the business was the development and management of a climbing wall and leisure centre complex

The Directors are satisfied with the financial position and are confident the Company will continue to be profitable in the current financial year

#### **DIRECTORS**

The Directors who served during the year were

S J Taylor  
M T Hodges  
A E Seguy

#### **PROVISION OF INFORMATION TO AUDITOR**

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

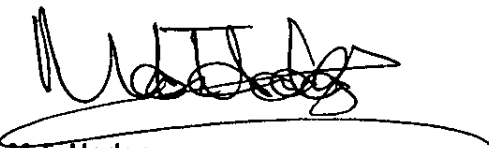
- so far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the Company's auditor in connection with preparing its report and to establish that the Company's auditor is aware of that information

#### **AUDITOR**

Under section 487 of the Companies Act 2006, PKF Littlejohn LLP (formerly named Littlejohn LLP) will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on 19 September 2013 and signed on its behalf

A handwritten signature in black ink, appearing to read 'M.T. Hodges', is written over a horizontal line.

**M.T. Hodges**  
Secretary

## **HIGH PERFORMANCE SPORTS LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT for the year ended 31 December 2012**

The Directors are responsible for preparing 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 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 judgments 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 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.

## **HIGH PERFORMANCE SPORTS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HIGH PERFORMANCE SPORTS LIMITED**

We have audited the financial statements of High Performance Sports Limited for the year ended 31 December 2012, set out on pages 6 to 13. 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 shareholders, 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 shareholders 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 shareholders 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 Directors' report to identify material inconsistencies with the audited financial statements. 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 2012 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.

## HIGH PERFORMANCE SPORTS LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HIGH PERFORMANCE SPORTS LIMITED

#### 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, or
- 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 in preparing the Directors' report



Eric Hindson (Senior statutory auditor)

for and on behalf of  
**PKF Littlejohn LLP**

Statutory Auditor

1 Westferry Circus  
Canary Wharf  
London  
E14 4HD

19 September 2013



# **HIGH PERFORMANCE SPORTS LIMITED**

## **PROFIT AND LOSS ACCOUNT** for the year ended 31 December 2012

	Note	2012 £	2011 £
<b>TURNOVER</b>	<b>1</b>	<b>1,863,340</b>	<b>1,826,303</b>
Cost of sales		<u>(765,195)</u>	<u>(828,788)</u>
<b>GROSS PROFIT</b>		<b>1,098,145</b>	<b>997,515</b>
Administrative expenses		<u>(811,088)</u>	<u>(844,318)</u>
Other operating income	<b>2</b>	<u>-</u>	<u>146</u>
<b>OPERATING PROFIT</b>	<b>3</b>	<b>287,057</b>	<b>153,343</b>
Interest receivable and similar income		<u>-</u>	<u>234</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>287,057</b>	<b>153,577</b>
Tax on profit on ordinary activities	<b>5</b>	<u>(55,649)</u>	<u>(40,780)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<b>14</b>	<u><b>231,408</b></u>	<u><b>112,797</b></u>

The notes on pages 8 to 13 form part of these financial statements

**HIGH PERFORMANCE SPORTS LIMITED**  
Registered number: 2839366

**BALANCE SHEET**  
as at 31 December 2012

	Note	2012 £	2011 £
<b>FIXED ASSETS</b>			
Tangible assets	6	912,587	880,540
<b>CURRENT ASSETS</b>			
Stocks	7	102,562	104,604
Debtors	8	39,983	53,673
Cash at bank and in hand		330,631	164,711
		<u>473,176</u>	<u>322,988</u>
<b>CREDITORS</b> amounts falling due within one year	9	<u>(301,229)</u>	<u>(280,943)</u>
<b>NET CURRENT ASSETS</b>		<u>171,947</u>	<u>42,045</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,084,534</u>	<u>922,585</u>
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred tax	10	<u>(28,774)</u>	<u>(48,233)</u>
<b>NET ASSETS</b>		<u><u>1,055,760</u></u>	<u><u>874,352</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	53,242	53,242
Share premium account	14	393,870	393,870
Profit and loss account	14	608,648	427,240
<b>SHAREHOLDERS' FUNDS</b>		<u><u>1,055,760</u></u>	<u><u>874,352</u></u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 September 2013



**M.T. Hodges**  
Director

The notes on pages 8 to 13 form part of these financial statements

## HIGH PERFORMANCE SPORTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2012

#### 1 ACCOUNTING POLICIES

##### 1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

##### 1.2 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

If the sports subscription period straddles the year end, the amounts attributable to the following year are classified as deferred income

##### 1.3 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

L/Term Leasehold Property	-	5% 20 years straight line
Sports equipment	-	10% 10 years straight line
Office equipment	-	20% 5 years straight line / 33% 3 years straight line
Plant and equipment	-	33% 3 years straight line

##### 1.4 OPERATING LEASES

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

##### 1.5 STOCKS

Stocks are valued at the lower of cost and net realisable value. Stock comprises finished goods held for resale. Finished goods are recognised as stock on delivery

##### 1.6 PENSIONS

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year

##### 1.7 GOING CONCERN

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

#### 2. OTHER OPERATING INCOME

	2012 £	2011 £
Rent receivable	-	146

# HIGH PERFORMANCE SPORTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2012

### 3. OPERATING PROFIT

The operating profit is stated after charging

	2012 £	2011 £
Depreciation of tangible fixed assets - owned by the company	130,008	159,932
Auditor's remuneration	7,500	7,830
Pension costs	2,375	2,531

### 4. DIRECTORS' REMUNERATION

	2012 £	2011 £
Aggregate emoluments	126,384	170,764

During the year retirement benefits were accruing to £2,375 (2011 - £2,531) in respect of defined contribution pension schemes

### 5. TAXATION

	2012 £	2011 £
<b>ANALYSIS OF TAX CHARGE IN THE YEAR</b>		
<b>CURRENT TAX</b>		
UK corporation tax charge on profit for the year	75,108	34,276
Adjustments in respect of prior periods	-	636
<b>TOTAL CURRENT TAX</b>	<b>75,108</b>	<b>34,912</b>
<b>DEFERRED TAX</b> (see note 10)		
Origination and reversal of timing differences	(19,459)	5,868
<b>TAX ON PROFIT ON ORDINARY ACTIVITIES</b>	<b>55,649</b>	<b>40,780</b>

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 20% (2011 - 20%)

# **HIGH PERFORMANCE SPORTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** for the year ended 31 December 2012

### **6 TANGIBLE FIXED ASSETS**

	L/Term Leasehold Property £	Sports Equipment £	Office equipment £	Plant and equipment £	Total £
<b>COST</b>					
At 1 January 2012	947,468	910,464	226,597	35,812	2,120,341
Additions	113,412	31,670	13,181	3,863	162,126
At 31 December 2012	<u>1,060,880</u>	<u>942,134</u>	<u>239,778</u>	<u>39,675</u>	<u>2,282,467</u>
<b>DEPRECIATION</b>					
At 1 January 2012	424,375	630,201	160,037	25,188	1,239,801
Charge for the year	48,528	58,799	16,799	5,953	130,079
At 31 December 2012	<u>472,903</u>	<u>689,000</u>	<u>176,836</u>	<u>31,141</u>	<u>1,369,880</u>
<b>NET BOOK VALUE</b>					
At 31 December 2012	<u>587,977</u>	<u>253,134</u>	<u>62,942</u>	<u>8,534</u>	<u>912,587</u>
At 31 December 2011	<u>523,093</u>	<u>280,263</u>	<u>66,560</u>	<u>10,624</u>	<u>880,540</u>

### **7 STOCKS**

	2012 £	2011 £
Finished goods for resale	<u>102,562</u>	<u>104,604</u>

### **8. DEBTORS**

	2012 £	2011 £
Trade debtors	9,504	23,944
Other debtors	30,479	29,729
	<u>39,983</u>	<u>53,673</u>

## HIGH PERFORMANCE SPORTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2012

#### 9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Trade creditors	20,649	34,025
Corporation tax	73,392	34,276
Social security and other taxes	83,978	88,577
Other creditors	123,210	124,065
	<u>301,229</u>	<u>280,943</u>

Mark Hodges and Stephen Taylor have jointly provided personal guarantees to Barclays Bank PLC in the amount of £250,000, dated 23 August 2005

#### 10 DEFERRED TAXATION

	2012 £	2011 £
At beginning of year	48,233	42,365
Other movement	(19,459)	5,868
	<u>28,774</u>	<u>48,233</u>

The provision for deferred taxation is made up as follows

	2012 £	2011 £
Accelerated capital allowances	<u>28,774</u>	<u>48,233</u>

#### 11. SHARE CAPITAL

	2012 £	2011 £
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
532,418 Ordinary shares of £0.10 each	<u>53,242</u>	<u>53,242</u>

#### 12 CAPITAL COMMITMENTS

At 31 December 2012 the Company had capital commitments as follows

	2012 £	2011 £
Contracted for but not provided in these financial statements	<u>200,000</u>	<u>-</u>

# **HIGH PERFORMANCE SPORTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** for the year ended 31 December 2012

### **13. OPERATING LEASE COMMITMENTS**

At 31 December 2012 the Company had annual commitments under non-cancellable operating leases as follows

	<b>Land and buildings</b>	
	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
<b>EXPIRY DATE:</b>		
Within 1 year	<b>11,690</b>	<b>11,690</b>

### **14 RESERVES**

	<b>Share premium account</b>	<b>Profit and loss account</b>
	<b>£</b>	<b>£</b>
At 1 January 2012	<b>393,870</b>	<b>427,240</b>
Profit for the year	-	<b>231,408</b>
Dividends Equity capital	-	<b>(50,000)</b>
	<b>393,870</b>	<b>608,648</b>
At 31 December 2012		

### **15. DIVIDENDS**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Dividends paid on equity capital	<b>50,000</b>	<b>50,000</b>

### **16 RELATED PARTY TRANSACTIONS**

#### **M Hodges**

M Hodges is a Director of the Company

M Hodges was paid £18,089 during the year (2011 - £12,015)

The Company paid dividends to M Hodges totalling £2,247 (2011 - £2,247)

#### **Activities Industry Mutual Ltd**

S J Taylor, a Director of the Company, is also a Director of Activities Industry Mutual Ltd

During the year the Company paid Activities Industry Mutual Ltd an amount totalling £25,599 (2011 - £23,903)

## **HIGH PERFORMANCE SPORTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2012**

#### **17 CONTROLLING PARTY**

The Company is controlled by the Taylor family

#### **18 SHARE BASED PAYMENTS**

During the year ended 31 December 2012, the Company had one share-based payment arrangement, which is described below

The agreement which commenced in January 2012 between Audrey Seguy and the Company entitles the director to subscribe up to 28,022 ordinary shares at 10p each with an exercise price of 65p per ordinary share dependant upon the director hitting specific performance targets. This option will expire in January 2017.