

**FITNESS PROFESSIONALS LIMITED**

**DIRECTORS' REPORT  
AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2012**

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## **FITNESS PROFESSIONALS LIMITED**

### **COMPANY INFORMATION**

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<b>DIRECTORS</b>	Brent Hallo Jane Waller David Roger Llewellyn Robert Stanley Meacock Kevin Laferriere
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<b>REGISTERED NUMBER</b>	2499039
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<b>REGISTERED OFFICE</b>	Kalbarn House 113 London Road London E13 0DA
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<b>INDEPENDENT AUDITORS</b>	haysmacintyre Fairfax House 15 Fulwood Place London WC1V 6AY
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## **FITNESS PROFESSIONALS LIMITED**

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## **FITNESS PROFESSIONALS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012**

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

#### **PRINCIPAL ACTIVITIES**

The Group's principal activity during the year was the provision of fitness products and services to professionals in the fitness industry

#### **BUSINESS REVIEW**

##### **Review of the year**

The results for the year are set out on page 6

On 1 March 2012 Clark Road Limited acquired 100% of the issued shares in Les Mills Fitness UK Limited from Fitness Professionals Limited for a gross cash consideration of £3m. The impact of this transaction (and other discontinued operations) have been classified as "discontinued operations" for reporting purposes in line with accounting standards

The separation of the financial performance of the continuing and discontinued businesses include management's best estimate and judgement in the allocation of certain revenue and cost of sales between continuing and discontinued businesses

The loss from continuing operations (before tax and exceptional items) decreased by 10.9% on 2011 levels to £2.1m. These losses are stated after deducting the costs associated with the investment we have made in developing our existing businesses around the world and the Group's restructuring undertaken during 2012. The apportionment of corporate and administration expenses to discontinued operations has been limited to the direct costs incurred in relation to the sale of Les Mills Fitness UK Limited.

Total revenues for the year ended 31 December 2012 were £7.2m (2011: £12.1m). Gross profit decreased by 19.4% on 2011 levels to £2.9m at a margin of 40.2% (2011: 29.8%).

##### **Likely developments and future results**

The Group's restructuring will be completed during 2013. It will provide a platform for the steady development of the existing businesses. The Group has the international infrastructure and financial strength to pursue a number of opportunities available in its chosen markets.

##### **Principal risks and uncertainties**

The Group is reliant on the continued uptake of gym memberships and the popularity of physical exercise and any change in the level of activity is likely to affect results. Notwithstanding the ongoing depressed economic conditions and uncertainty in the key markets of North America and Europe and the inherent risk for the business, the board is of the view that, given the cash reserves in the business, the geographical and product diversity and together with the ability to manage costs, the Group is well placed.

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation and minority interests, amounted to £1,511,433 (2011: £233,388).

The directors do not recommend the payment of a dividend.

## **FITNESS PROFESSIONALS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012**

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#### **FINANCIAL INSTRUMENTS**

The Group's principal financial instruments comprise bank balances, other debtors and other creditors. The main purpose of these instruments is to finance the company's operations.

Other debtors are managed in respect of credit and cash flow risk by the regular monitoring of amounts outstanding. Other creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

#### **DIRECTORS**

The directors who served during the year were:

Brent Hallo  
Jane Waller  
David Roger Llewellyn  
Robert Stanley Meacock  
Kevin Laferriere (appointed 4 December 2012)

Andrew Jackson also served as a director during the year until his resignation on 28 September 2012.

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

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 the group and of the profit or loss of the group 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 group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**FITNESS PROFESSIONALS LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2012**

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**PROVISION OF INFORMATION TO AUDITORS**

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 and the group's auditors are 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 and the group's auditors in connection with preparing their report and to establish that the company and the group's auditors are aware of that information

**AUDITORS**

The auditors, haysmacintyre, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

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



**Brent Hallo**  
Director

Date 1/7/2013

## **FITNESS PROFESSIONALS LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FITNESS PROFESSIONALS LIMITED**

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We have audited the financial statements of Fitness Professionals Limited for the year ended 31 December 2012, set out on pages 6 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Auditors' 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 AUDITORS**

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 group's and the parent 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 group's and the parent company's affairs as at 31 December 2012 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **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.

**FITNESS PROFESSIONALS LIMITED**

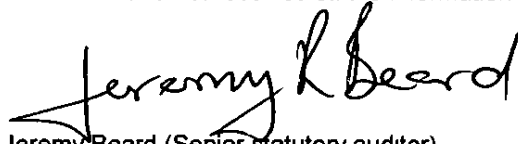
**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FITNESS PROFESSIONALS LIMITED**

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**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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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



Jeremy Beard (Senior statutory auditor)

for and on behalf of  
**haysmacintyre**

Statutory Auditors

Fairfax House  
15 Fulwood Place  
London  
WC1V 6AY

Date

1/7/2013



**FITNESS PROFESSIONALS LIMITED**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Note	2012 £	2011 £
<b>TURNOVER</b>	1,2		
Continuing operations		6,285,126	6,329,264
Discontinued operations		924,173	5,755,895
		<u>7,209,299</u>	<u>12,085,159</u>
Cost of sales	3	<u>(4,309,020)</u>	<u>(8,488,108)</u>
<b>GROSS PROFIT</b>		2,900,279	3,597,051
Administrative expenses	3	<u>(4,548,626)</u>	<u>(3,112,015)</u>
<b>OPERATING (LOSS)/PROFIT</b>	4		
Continuing operations		(2,104,664)	(2,362,513)
Discontinued operations		456,317	2,847,549
		<u>(1,648,347)</u>	<u>485,036</u>
<b>EXCEPTIONAL ITEMS</b>			
Exceptional income	8	<u>2,985,000</u>	<u>-</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		1,336,653	485,036
Interest receivable and similar income		14,762	13,540
Interest payable and similar charges	7	<u>(11,225)</u>	<u>(11,552)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		1,340,190	487,024
Tax on profit on ordinary activities	9	<u>166,600</u>	<u>(304,804)</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		1,506,790	182,220
Minority interests		<u>4,643</u>	<u>51,168</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	17	<u><u>1,511,433</u></u>	<u><u>233,388</u></u>

The notes on pages 11 to 24 form part of these financial statements

**FITNESS PROFESSIONALS LIMITED**

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31 DECEMBER 2012**

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	2012 £	2011 £
<b>PROFIT FOR THE FINANCIAL YEAR</b>	1,511,433	233,388
Foreign exchange movement	(40,941)	5,016
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	<u>1,470,492</u>	<u>238,404</u>

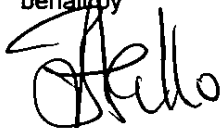
The notes on pages 11 to 24 form part of these financial statements

**FITNESS PROFESSIONALS LIMITED**  
**REGISTERED NUMBER: 2499039**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2012**

	Note	2012 £	2011 £
<b>FIXED ASSETS</b>			
Intangible assets	10	1,542,311	1,658,774
Tangible assets	11	1,546,020	1,531,370
		<u>3,088,331</u>	<u>3,190,144</u>
<b>CURRENT ASSETS</b>			
Stocks	13	574,219	222,960
Debtors	14	2,200,581	1,530,120
Cash at bank		2,664,624	3,054,817
		<u>5,439,424</u>	<u>4,807,897</u>
<b>CREDITORS:</b> amounts falling due within one year	15	<u>(1,400,661)</u>	<u>(2,336,796)</u>
<b>NET CURRENT ASSETS</b>		<u>4,038,763</u>	<u>2,471,101</u>
<b>NET ASSETS</b>		<u>7,127,094</u>	<u>5,661,245</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	206,736	206,736
Share premium account	17	684,610	684,610
Capital redemption reserve	17	10,348	10,348
Profit and loss account	17	6,299,672	4,829,180
<b>SHAREHOLDERS' FUNDS</b>	18	<u>7,201,366</u>	<u>5,730,874</u>
<b>MINORITY INTERESTS</b>	20	<u>(74,272)</u>	<u>(69,629)</u>
		<u>7,127,094</u>	<u>5,661,245</u>

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



**Brent Hallo**  
Director

Date 1/7/2013

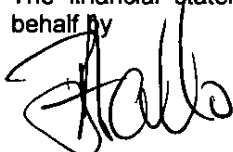
The notes on pages 11 to 24 form part of these financial statements

**FITNESS PROFESSIONALS LIMITED**  
**REGISTERED NUMBER. 2499039**

**COMPANY BALANCE SHEET**  
**AS AT 31 DECEMBER 2012**

	Note	£	2012	£	£	2011	£
<b>FIXED ASSETS</b>							
Tangible assets	11			1,073,160			1,051,703
Investments	12			1,938,625			1,938,625
				<u>3,011,785</u>			<u>2,990,328</u>
<b>CURRENT ASSETS</b>							
Stocks	13	393,809			222,960		
Debtors	14	2,331,769			1,337,846		
Cash at bank		2,105,408			2,412,488		
		<u>4,830,986</u>			<u>3,973,294</u>		
<b>CREDITORS:</b> amounts falling due within one year	15	(1,133,089)			(1,837,113)		
<b>NET CURRENT ASSETS</b>				<u>3,697,897</u>			<u>2,136,181</u>
<b>NET ASSETS</b>				<u>6,709,682</u>			<u>5,126,509</u>
<b>CAPITAL AND RESERVES</b>							
Called up share capital	16			206,736			206,736
Share premium account	17			684,610			684,610
Capital redemption reserve	17			10,348			10,348
Profit and loss account	17			5,807,988			4,224,815
<b>SHAREHOLDERS' FUNDS</b>	18			<u>6,709,682</u>			<u>5,126,509</u>

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



**Brent Hallo**  
 Director

Date 17/2013

The notes on pages 11 to 24 form part of these financial statements

**FITNESS PROFESSIONALS LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Note	2012 £	2011 £
Net cash flow from operating activities	21	(2,315,566)	1,251,457
Returns on investments and servicing of finance	22	3,537	1,988
Taxation		(92,237)	(338,049)
Capital expenditure and financial investment	22	(80,859)	(31,650)
Acquisitions and disposals	22	2,110,000	(63,761)
Equity dividends paid		-	(600,000)
<b>CASH (OUTFLOW)/INFLOW BEFORE FINANCING</b>		<b>(375,125)</b>	<b>219,985</b>
Financing	22	-	29,987
<b>(DECREASE)/INCREASE IN CASH IN THE YEAR</b>		<b>(375,125)</b>	<b>249,972</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT  
FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012 £	2011 £
(Decrease)/Increase in cash in the year	(375,125)	249,972
<b>CHANGE IN NET DEBT RESULTING FROM CASH FLOWS</b>	<b>(375,125)</b>	<b>249,972</b>
Other non-cash changes	(15,068)	-
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<b>(390,193)</b>	<b>249,972</b>
Net funds at 1 January 2012	3,054,817	2,804,845
<b>NET FUNDS AT 31 DECEMBER 2012</b>	<b>2,664,624</b>	<b>3,054,817</b>

The notes on pages 11 to 24 form part of these financial statements

## **FITNESS PROFESSIONALS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012**

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#### **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 applicable accounting standards

##### **1.2 Going concern**

The directors have made due consideration of the group's forecasts and cashflows and have concluded that it is appropriate to prepare the financial statements on the going concern basis

##### **1.3 Basis of consolidation**

The financial statements consolidate the accounts of Fitness Professionals Limited and all of its subsidiary undertakings ('subsidiaries')

The results of subsidiaries acquired during the year are included from the effective date of acquisition

The results of subsidiaries sold are included up to the effective date of disposal

##### **1.4 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

##### **1.5 Intangible fixed assets and amortisation**

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life of 20 years

Web development costs are stated at cost less amortisation. These are amortised to the Profit and loss account over an estimated economic life of 3 years

##### **1.6 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

Motor vehicles	-	25%
Office equipment	-	25%

Land and buildings have not been depreciated due to the high residual value of the buildings

##### **1.7 Investments**

Investments in subsidiaries are valued at cost less provision for impairment

## **FITNESS PROFESSIONALS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012**

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#### **1. ACCOUNTING POLICIES (continued)**

##### **1.8 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

##### **1.9 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.

##### **1.10 Foreign currencies**

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Profit and losses of subsidiaries which have currencies of operation other than sterling are translated into sterling at the average rate. Assets and liabilities denominated in foreign currencies are translated at the year end rate.

Exchange differences arising from the retranslation of the opening net assets of subsidiaries which have currencies of operation other than sterling and any related loans are taken to reserves together with the differences arising when the profit and loss accounts are translated at average rates and compared with rates ruling at the year end. Other exchange differences are taken to the profit and loss account.

##### **1.11 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.

## FITNESS PROFESSIONALS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

#### 2. TURNOVER

A geographical analysis of turnover is as follows

	2012 £	2011 £
United Kingdom	3,472,863	8,799,378
Rest of European Union	526,480	428,035
Rest of world	3,209,956	2,857,746
	<u>7,209,299</u>	<u>12,085,159</u>

The whole of the turnover and profit before taxation from discontinuing activities is attributable to the UK

#### 3. ANALYSIS OF OPERATING (LOSS)/PROFIT

	2012		2011	
	Continuing £	Discontinued £	Continuing £	Discontinued £
Turnover	6,285,126	924,173	6,329,264	5,755,895
Cost of sales	(3,908,781)	(400,239)	(5,709,691)	(2,778,417)
Gross profit	<u>2,376,345</u>	<u>523,934</u>	<u>619,573</u>	<u>2,977,478</u>
Administrative expenses	(4,481,009)	(67,617)	(2,982,086)	(129,929)
	<u>(2,104,664)</u>	<u>456,317</u>	<u>(2,362,513)</u>	<u>2,847,549</u>

#### 4 OPERATING (LOSS)/PROFIT

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

	2012 £	2011 £
Amortisation of goodwill	90,528	92,986
Depreciation of tangible fixed assets		
- owned by the group	43,764	58,482
Auditors' remuneration	21,700	21,700
Difference on foreign exchange	15,572	3,489
Amortisation of development costs	22,508	26,162
	<u></u>	<u></u>

Auditors fees for the company were £11,900 (2011 - £11,900)



**FITNESS PROFESSIONALS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012****5. STAFF COSTS**

Staff costs, including directors' remuneration, were as follows

	2012 £	2011 £
Wages and salaries	2,511,831	3,076,772
Social security costs	225,162	258,992
Other pension costs	132,216	34,991
	<u>2,869,209</u>	<u>3,370,755</u>

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

	2012 No	2011 No
Sales and administration	<u>75</u>	<u>95</u>

**6. DIRECTORS' REMUNERATION**

	2012 £	2011 £
Emoluments	<u>328,672</u>	<u>366,795</u>
Company pension contributions to defined contribution pension schemes	<u>121,891</u>	<u>27,567</u>

During the year retirement benefits were accruing to 1 director (2011 - 1) in respect of defined contribution pension schemes

The highest paid director received remuneration of £136,647 (2011 - £152,917)

**7. INTEREST PAYABLE**

	2012 £	2011 £
On bank loans and overdrafts	<u>11,225</u>	<u>11,552</u>

**8. EXCEPTIONAL INCOME**

	2012 £	2011 £
Exceptional profit on disposal of subsidiary	<u>2,985,000</u>	<u>-</u>

**FITNESS PROFESSIONALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**9. TAXATION**

	2012 £	2011 £
<b>Analysis of tax (credit)/charge in the year</b>		
UK corporation tax (credit)/charge on profit for the year	(171,664)	304,804
Adjustments in respect of prior periods	5,064	-
<b>Tax on profit on ordinary activities</b>	<u>(166,600)</u>	<u>304,804</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%). The differences are explained below

	2012 £	2011 £
Profit on ordinary activities before tax	<u>1,340,190</u>	<u>487,024</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%)	328,347	129,061
<b>Effects of:</b>		
Non-tax deductible amortisation of goodwill and impairment	-	103,692
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	23,659	13,590
Capital allowances for year (in excess of)/less than depreciation	(3,004)	5,080
Difference in tax rates	(23,772)	15,207
Adjustments to tax charge in respect of prior periods	5,064	-
Other timing differences leading to an increase (decrease) in taxation	-	8,589
Non-taxable income	(731,325)	-
Unrelieved tax losses carried forward	234,431	29,585
<b>Current tax (credit)/charge for the year (see note above)</b>	<u>(166,600)</u>	<u>304,804</u>

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges

**FITNESS PROFESSIONALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**10. INTANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Development £</b>	<b>Goodwill £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 January 2012	84,871	2,113,789	2,198,660
Foreign exchange movement	(5,358)	-	(5,358)
At 31 December 2012	79,513	2,113,789	2,193,302
<b>Amortisation</b>			
At 1 January 2012	55,611	484,275	539,886
Charge for the year	22,508	90,528	113,036
Foreign exchange movement	(1,931)	-	(1,931)
At 31 December 2012	76,188	574,803	650,991
<b>Net book value</b>			
At 31 December 2012	3,325	1,538,986	1,542,311
At 31 December 2011	29,260	1,629,514	1,658,774

**FITNESS PROFESSIONALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**11. TANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Freehold property £</b>	<b>Office equipment £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 January 2012	1,483,856	345,724	66,927	1,896,507
Additions	-	80,859	-	80,859
Foreign exchange movement	(19,854)	(5,415)	(520)	(25,789)
At 31 December 2012	1,464,002	421,168	66,407	1,951,577
<b>Depreciation</b>				
At 1 January 2012	13,258	287,438	64,441	365,137
Charge for the year	-	42,581	1,183	43,764
Foreign exchange movement	-	(2,910)	(434)	(3,344)
At 31 December 2012	13,258	327,109	65,190	405,557
<b>Net book value</b>				
At 31 December 2012	1,450,744	94,059	1,217	1,546,020
At 31 December 2011	1,470,598	58,286	2,486	1,531,370

<b>Company</b>	<b>Freehold property £</b>	<b>Office equipment £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 January 2012	1,034,635	252,909	55,150	1,342,694
Additions	-	46,041	-	46,041
At 31 December 2012	1,034,635	298,950	55,150	1,388,735
<b>Depreciation</b>				
At 1 January 2012	13,258	222,583	55,150	290,991
Charge for the year	-	24,584	-	24,584
At 31 December 2012	13,258	247,167	55,150	315,575
<b>Net book value</b>				
At 31 December 2012	1,021,377	51,783	-	1,073,160
At 31 December 2011	1,021,377	30,326	-	1,051,703

# **FITNESS PROFESSIONALS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012**

### **12. FIXED ASSET INVESTMENTS**

	Investments in subsidiary companies £
<b>Company</b>	
<b>Cost or valuation</b>	
At 1 January 2012	1,938,625
Additions	3,000,001
Disposals	(3,000,001)
At 31 December 2012	1,938,625
<b>Net book value</b>	
At 31 December 2012	1,938,625
At 31 December 2011	1,938,625

Details of the principal subsidiaries can be found under note number 27

### **13. STOCKS**

	<b>Group</b>		<b>Company</b>	
	2012 £	2011 £	2012 £	2011 £
Goods for resale	574,219	222,960	393,809	222,960

### **14. DEBTORS**

	<b>Group</b>		<b>Company</b>	
	2012 £	2011 £	2012 £	2011 £
Trade debtors	449,972	1,133,254	289,364	870,114
Amounts owed by group undertakings	-	-	376,842	127,815
Other debtors	1,515,995	229,903	1,451,026	194,237
Prepayments and accrued income	234,614	166,963	214,537	145,680
	2,200,581	1,530,120	2,331,769	1,337,846

**FITNESS PROFESSIONALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**15. CREDITORS:  
Amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	2012	2011	2012	2011
	£	£	£	£
Trade creditors	258,293	508,746	258,169	441,707
Amounts owed to group undertakings	-	-	159,100	166,307
Corporation tax	24,671	76,872	-	29,194
Social security and other taxes	38,325	279,568	38,325	279,568
Other creditors	301,490	425,959	52,679	-
Accruals and deferred income	777,882	1,045,651	624,816	920,337
	<u>1,400,661</u>	<u>2,336,796</u>	<u>1,133,089</u>	<u>1,837,113</u>

**16. SHARE CAPITAL**

	2012	2011
	£	£
<b>Authorised, allotted, called up and fully paid</b>		
154,736 Ordinary shares of £1 each	154,736	154,736
52,000 "A" Ordinary shares of £1 each	52,000	52,000
	<u>206,736</u>	<u>206,736</u>

**17. RESERVES**

<b>Group</b>	Share premium account £	Capital redempt'n reserve £	Profit and loss account £
At 1 January 2012	684,610	10,348	4,829,180
Profit for the year			1,511,433
Foreign exchange movement			(40,941)
At 31 December 2012	<u>684,610</u>	<u>10,348</u>	<u>6,299,672</u>
<b>Company</b>	Share premium account £	Capital redempt'n reserve £	Profit and loss account £
At 1 January 2012	684,610	10,348	4,224,815
Profit for the year			1,583,173
At 31 December 2012	<u>684,610</u>	<u>10,348</u>	<u>5,807,988</u>

**FITNESS PROFESSIONALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

<b>Group</b>	<b>2012 £</b>	<b>2011 £</b>
Opening shareholders' funds	5,730,874	6,154,970
Profit for the year	1,511,433	233,388
Dividends (Note 19)	-	(600,000)
Shares redeemed/cancelled during the year	-	(62,500)
Foreign exchange movement	(40,941)	5,016
	<u>7,201,366</u>	<u>5,730,874</u>
Closing shareholders' funds		
	<u>7,201,366</u>	<u>5,730,874</u>

<b>Company</b>	<b>2012 £</b>	<b>2011 £</b>
Opening shareholders' funds	5,126,509	5,482,167
Profit for the year	1,583,173	306,842
Dividends (Note 19)	-	(600,000)
Shares redeemed/cancelled during the year	-	(62,500)
	<u>6,709,682</u>	<u>5,126,509</u>
Closing shareholders' funds		
	<u>6,709,682</u>	<u>5,126,509</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account

The profit for the year dealt with in the accounts of the company was £1,583,173 (2011 - £306,842)

**19. DIVIDENDS**

	<b>2012 £</b>	<b>2011 £</b>
Dividends paid on equity capital	<u>-</u>	<u>600,000</u>

**20. MINORITY INTERESTS**

<b>Equity</b>	<b>£</b>
At 1 January 2012	(69,629)
Proportion of profit/(loss) after taxation for the year	(7,482)
Foreign exchange movement	2,839
	<u>(74,272)</u>
At 31 December 2012	
	<u>(74,272)</u>

**FITNESS PROFESSIONALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**21. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2012 £	2011 £
Operating (loss)/profit	(1,648,347)	485,036
Amortisation of intangible fixed assets	113,036	419,909
Depreciation of tangible fixed assets	43,764	58,482
(Increase)/decrease in stocks	(351,259)	186,072
Decrease/(increase) in debtors	411,175	(192,403)
(Decrease)/increase in creditors	(883,935)	294,361
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(2,315,566)</b>	<b>1,251,457</b>

**22. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2012 £	2011 £
<b>Returns on investments and servicing of finance</b>		
Interest received	14,762	13,540
Interest paid	(11,225)	(11,552)
<b>Net cash inflow from returns on investments and servicing of finance</b>	<b>3,537</b>	<b>1,988</b>
	2012 £	2011 £
<b>Capital expenditure and financial investment</b>		
Purchase of intangible fixed assets	-	(31,650)
Purchase of tangible fixed assets	(80,859)	-
<b>Net cash outflow from capital expenditure</b>	<b>(80,859)</b>	<b>(31,650)</b>
	2012 £	2011 £
<b>Acquisitions and disposals</b>		
Purchase of shares in subsidiary	-	(63,761)
Disposal of subsidiary	2,110,000	-
<b>Net cash inflow/(outflow) from acquisitions and disposals</b>	<b>2,110,000</b>	<b>(63,761)</b>



## FITNESS PROFESSIONALS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

#### 22. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2012 £	2011 £
<b>Financing</b>		
Issue of ordinary shares by subsidiary	-	92,487
Purchase of own shares	-	(62,500)
<b>Net cash inflow from financing</b>	<u>-</u>	<u>29,987</u>

#### 23. ANALYSIS OF CHANGES IN NET FUNDS

	1 January 2012 £	Cash flow £	Other non-cash changes £	Exchange Movement £	31 December 2012 £
Cash at bank and in hand	3,054,817	(375,125)	-	(15,068)	2,664,624
<b>Net funds/(debt)</b>	<u>3,054,817</u>	<u>(375,125)</u>	<u>-</u>	<u>(15,068)</u>	<u>2,664,624</u>

#### 24. PENSION COMMITMENTS

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £132,216 (2011 £34,991). Contributions totalling £399 (2011 £699) were payable to the fund at the balance sheet date and are included in creditors.

#### 25. RELATED PARTY TRANSACTIONS

PTA Global Inc, a company incorporated in USA, is a 89% subsidiary of Fitness Professionals Limited in which B Hallo, R Meacock and K Laferriere are directors. At 31 December 2011 the balance owing from PTA Global Inc to Fitness Professionals Limited was £63,026 (2011 £64,511).

ViPR LLC is a company incorporated in USA in which B Hallo is a director. During the year Fitness Professionals Limited loaned £105,674 (2011 £23,788) to ViPR LLC towards the development of the ViPR product, in which Fitness Professionals Limited has a distribution agreement with ViPR LLC. During the year loan repayments of £66,328 (2011 £88,453) were received. At 31 December 2012 the balance owing from ViPR LLC to Fitness Professionals Limited was £229,557 (2011 £190,211).

Sabukat Technologies PTY Limited is an Australian IT development company that provides services to the group. Fitness Professionals Limited have a 30% shareholding in Sabukat which formed part of the Personal Training on the Net Pty acquisition. During the year Sabukat Technologies provided services to Fitness Professionals Limited amounting to £62,336 (2011 £255,054). At 31 December 2012 the balance owed to Sabukat Technologies from Fitness Professionals Limited was £16,133 (2011 £15,192). In addition the Personal Training on the Net Pty Limited balance owing to Sabukat Technologies was £14,673 (2011 £11,048).

**FITNESS PROFESSIONALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

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**25. RELATED PARTY TRANSACTIONS (continued)**

The group has taken advantage of the exemption under FRS8 from disclosing transactions between wholly owned group companies

**26. CONTROLLING PARTY**

The directors consider that there is no ultimate controlling party

**FITNESS PROFESSIONALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

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**27. PRINCIPAL SUBSIDIARIES**

<b>Company name</b>	<b>Country</b>	<b>Percentage Shareholding</b>	<b>Description</b>
Personal Training on the Net PTY LTD	Australia	100	Online education for fitness professionals
PTA Global Inc	USA	89	Online certification for fitness professionals