

Registered number: 2499039

FITNESS PROFESSIONALS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

FRIDAY



L13 *L5GN0DO1* #287
30/09/2016
COMPANIES HOUSE

FITNESS PROFESSIONALS LIMITED

COMPANY INFORMATION

Directors	Brent Hallo Jane Waller David Roger Llewellyn Kevin Laferriere
Registered number	2499039
Registered office	Kalbarri House 107-113 London Road, Plaistow London E13 0DA
Independent auditors	haysmacintyre 26 Red Lion Square London WC1R 4AG

FITNESS PROFESSIONALS LIMITED

CONTENTS

	Page
Group Strategic Report	1 - 2
Directors' Report	3 - 4
Independent Auditors' Report	5 - 6
Consolidated Statement of Comprehensive Income	7
Consolidated Statement of Financial Position	8 - 9
Company Statement of Financial Position	10
Consolidated Statement of Changes in Equity	11 - 12
Company Statement of Changes in Equity	13 - 14
Consolidated Statement of Cash Flows	15
Notes to the Financial Statements	16 - 34

FITNESS PROFESSIONALS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

Introduction

The directors present their strategic report together with the audited financial statements for the year ended 31 December 2015.

Business review

The Group's continuing principal activities consisted of the delivery of a range of fitness products and services to professionals in the fitness industry at retail and wholesale levels. The results and financial position for the year are set out in the financial statements on pages 7 to 33. There were no significant changes in the state of affairs of the Group in the financial year.

The 2015 result reflects a year of resetting the Group's operating capabilities to deliver future growth. The operating loss for the year amounted to £1,190,741 (2014: loss £1,769,894).

Since the end of the 2015 financial year the Personal Training on the Net and PTA Global businesses have been sold as part of a strategic adjustment of the Group's core business. The Group retains an international business model, and we have taken positions in several organisations operating in territories and in areas where we expect to see solid growth. In addition, we have streamlined our International Distribution model for core products and are now present in over 65 countries.

The Group's cost reduction program and the forging of new partnerships will continue through 2016 and is expected to deliver significant savings in future reporting periods. The longer term strategy is to maintain the existing business base, whilst completing the transition toward a Distributor based model. This will further reduce costs.

Transition to FRS102

This is the first year that the Group has presented its results under FRS 102. The date of transition to FRS 102 was 1 January 2014; and the board has elected to adopt the option (provided in FRS 102) to revalue certain property holdings as at 1 January 2014 which will become the 'deemed cost' going forward. The revaluation of the building assets has resulted in a Revaluation Reserve of £1,171,499 and a deferred tax liability of £137,124 as at 31 December 2015.

Principal risks and uncertainties

As with all businesses the Group is exposed to various risks inherent to its operations in the markets in which it operates. The directors consider the following to be the major risks and uncertainties at this time: the continued uptake of gym memberships; the popularity of physical exercise; the management of third-party relationships in particular supply of components and the performance of new key partnerships; market conditions; and liquidity risk. The board is of the view that the Group is positioned to manage its business risks successfully given: its geographical and product diversity; and the ability to manage costs.

FITNESS PROFESSIONALS LIMITED

**GROUP STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015**

Financial key performance indicators

The business is monitored upon a monthly basis specifically with actual performance to budget to determine the effectiveness of its ongoing strategy and can readily make changes to meet market conditions.

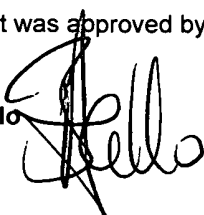
Total revenues from operations decreased 5.5% on 2014 levels to £3,642,290 (2014: £3,852,347). The gross profit margin for the year was 44.9% (2014: 41.7%).

Our 2015 liquidity and debt discipline KPI's indicate the resources available to the business:-

- Current ratio (Current Assets I Current Liabilities): 1.4 (2014: 1.8)
- Debt ratio (Total Liabilities I Total Assets): 0.24 (2014: 0.25)

This report was approved by the board on 29 September 2016 and signed on its behalf.

Brent Hall
Director



FITNESS PROFESSIONALS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their report and the financial statements for the year ended 31 December 2015.

Directors

The directors who served during the year were:

Brent Hallo
Jane Waller
David Roger Llewellyn
Robert Stanley Meacock (resigned 21 August 2016)
Kevin Laferriere

Results and dividends

The loss for the year, after taxation, amounted to £1,239,458 (2014 - loss £1,712,204).

The directors do not propose a payment of a dividend (2014 - £nil).

Future developments

Following the sale of its subsidiaries, the Group retains an international business model, and we have taken positions in several organisations operating in territories and in areas where we expect to see solid growth.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 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 for the Group financial statements and then apply them consistently;
- make judgments 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 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 (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015**

Disclosure 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 relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

Since the end of the 2015 financial year the Personal Training on the Net and PTA Global businesses have been sold as part of a strategic adjustment of the Group's core business.

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 on 29 September 2016 and signed on its behalf.


Brent Hallo
Director

FITNESS PROFESSIONALS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FITNESS PROFESSIONALS LIMITED

We have audited the financial statements of Fitness Professionals Limited for the year ended 31 December 2015, set out on pages 7 to 34. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the 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'.

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 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. 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 Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2015 and of the Group's profit or 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.

Opinion on other matter prescribed by the Companies Act 2006

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

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.

FITNESS PROFESSIONALS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FITNESS PROFESSIONALS LIMITED
(CONTINUED)



Gareth Ogden (Senior Statutory Auditor)

for and on behalf of
haysmacintyre

Statutory Auditors

26 Red Lion Square
London
WC1R 4AG

29 September 2016

FITNESS PROFESSIONALS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 £	2014 £
Turnover	4	3,642,290	3,852,347
Cost of sales		(2,005,567)	(2,246,243)
Gross profit		1,636,723	1,606,104
Administrative expenses		(3,084,123)	(3,375,998)
Profit on sale of freehold property		235,529	-
Other operating income	5	21,130	-
Operating loss	6	(1,190,741)	(1,769,894)
Interest receivable and similar income	10	-	4,653
Loss before taxation		(1,190,741)	(1,765,241)
Tax on loss	11	(48,717)	53,037
Loss for the year		(1,239,458)	(1,712,204)
Foreign exchange translation adjustment		(9,762)	21,543
Deferred tax movement on revaluation		11,590	(148,714)
Other comprehensive income for the year		1,828	(127,171)
Total comprehensive income for the year		(1,237,630)	(1,839,375)
Owners of the parent Company - loss for the year		(1,239,458)	(1,712,204)
		(1,239,458)	(1,712,204)
Owners of the parent Company - total comprehensive loss for the year		(1,237,630)	(1,839,375)
		(1,237,630)	(1,839,375)

FITNESS PROFESSIONALS LIMITED
REGISTERED NUMBER:2499039

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Note	£	2015 £	£	2014 £
Fixed assets					
Tangible assets	13		2,351,536		2,823,994
			<u>2,351,536</u>		<u>2,823,994</u>
Current assets					
Stocks	15	396,709		382,579	
Debtors: amounts falling due within one year	16	579,026		1,260,982	
Cash at bank and in hand	17	228,403		803,459	
		<u>1,204,138</u>		<u>2,447,020</u>	
Creditors: amounts falling due within one year	18	(870,642)		(1,336,762)	
Net current assets			<u>333,496</u>		<u>1,110,258</u>
Total assets less current liabilities			<u>2,685,032</u>		<u>3,934,252</u>
Provisions for liabilities					
Deferred taxation	20	(137,124)		(148,714)	
			<u>(137,124)</u>		<u>(148,714)</u>
Net assets excluding pension asset			<u>2,547,908</u>		<u>3,785,538</u>
Net assets			<u><u>2,547,908</u></u>		<u><u>3,785,538</u></u>
Capital and reserves					
Called up share capital	21		206,736		206,736
Share premium account			684,610		684,610
Revaluation reserve			1,171,499		1,159,909
Capital redemption reserve			10,348		10,348
Profit and loss account			474,465		1,723,685
Equity attributable to owners of the parent Company			<u>2,547,658</u>		<u>3,785,288</u>
Non-controlling interests			<u>250</u>		<u>250</u>
			<u><u>2,547,908</u></u>		<u><u>3,785,538</u></u>

FITNESS PROFESSIONALS LIMITED
REGISTERED NUMBER:2499039

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
AS AT 31 DECEMBER 2015

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 September 2016.

Brent Hallo
Director

A handwritten signature in black ink, appearing to read 'Brent Hallo', written over the printed name and title.

The notes on pages 16 to 34 form part of these financial statements.

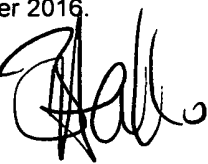
FITNESS PROFESSIONALS LIMITED
REGISTERED NUMBER:2499039

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Note	£	2015 £	£	2014 £
Fixed assets					
Tangible assets	13		2,342,849		2,356,613
Investments	14		1,510,626		1,510,600
			<u>3,853,475</u>		<u>3,867,213</u>
Current assets					
Stocks	15	152,118		168,437	
Debtors: amounts falling due within one year	16	1,867,643		1,532,561	
Cash at bank and in hand	17	137,439		408,117	
		<u>2,157,200</u>		<u>2,109,115</u>	
Creditors: amounts falling due within one year	18	(1,906,552)		(889,031)	
Net current assets			<u>250,648</u>		<u>1,220,084</u>
Total assets less current liabilities			<u>4,104,123</u>		<u>5,087,297</u>
Provisions for liabilities					
Deferred taxation	20	(137,124)		(148,714)	
			<u>(137,124)</u>		<u>(148,714)</u>
Net assets excluding pension asset			<u>3,966,999</u>		<u>4,938,583</u>
Net assets			<u><u>3,966,999</u></u>		<u><u>4,938,583</u></u>
Capital and reserves					
Called up share capital	21		206,736		206,736
Share premium account			684,610		684,610
Revaluation reserve			1,171,499		1,159,909
Capital redemption reserve			10,348		10,348
Profit and loss account			<u>1,893,806</u>		<u>2,876,980</u>
			<u><u>3,966,999</u></u>		<u><u>4,938,583</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 September 2016.

Brent Hallo
Director



FITNESS PROFESSIONALS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Called up share capital £	Share premium account £	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 January 2015	206,736	684,610	10,348	1,159,909	1,723,685	3,785,288
Comprehensive income for the year						
Loss for the year	-	-	-	-	(1,239,458)	(1,239,458)
Foreign exchange movement	-	-	-	-	(9,762)	(9,762)
Deferred tax movement	-	-	-	11,590	-	11,590
Other comprehensive income for the year	-	-	-	11,590	(9,762)	1,828
Total comprehensive income for the year	-	-	-	11,590	(1,249,220)	(1,237,630)
At 31 December 2015	<u>206,736</u>	<u>684,610</u>	<u>10,348</u>	<u>1,171,499</u>	<u>474,465</u>	<u>2,547,658</u>

FITNESS PROFESSIONALS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Called up share capital	Share premium account	Capital redemption reserve	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 January 2014	206,736	684,610	10,348	1,308,623	3,414,346	5,624,663
Comprehensive income for the year						
Loss for the year	-	-	-	-	(1,712,204)	(1,712,204)
Foreign exchange movement	-	-	-	-	21,543	21,543
Deferred tax on revaluation of freehold property	-	-	-	(148,714)	-	(148,714)
Other comprehensive income for the year	-	-	-	(148,714)	21,543	(127,171)
Total comprehensive income for the year	-	-	-	(148,714)	(1,690,661)	(1,839,375)
At 31 December 2014	206,736	684,610	10,348	1,159,909	1,723,685	3,785,288

The notes on pages 16 to 34 form part of these financial statements.

FITNESS PROFESSIONALS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Called up share capital	Share premium account	Capital redemption reserve	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 January 2015	206,736	684,610	10,348	1,159,909	2,876,980	4,938,583
Comprehensive income for the year						
Loss for the year	-	-	-	-	(983,174)	(983,174)
Deferred tax movement	-	-	-	11,590	-	11,590
At 31 December 2015	206,736	684,610	10,348	1,171,499	1,893,806	3,966,999

FITNESS PROFESSIONALS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Called up share capital	Share premium account	Capital redemption reserve	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 January 2014	206,736	684,610	10,348	1,308,623	4,232,986	6,443,303
Comprehensive income for the year						
Loss for the year	-	-	-	-	(1,356,006)	(1,356,006)
Deferred tax on revaluation of freehold property	-	-	-	(148,714)	-	(148,714)
At 31 December 2014	206,736	684,610	10,348	1,159,909	2,876,980	4,938,583

The notes on pages 16 to 34 form part of these financial statements.

FITNESS PROFESSIONALS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015 £	2014 £
Cash flows from operating activities		
Profit for the financial year	(1,239,458)	(1,712,204)
Adjustments for:		
Depreciation of tangible assets	27,535	29,242
Loss on disposal of tangible assets	269	-
Interest received	-	(4,653)
Taxation	48,717	145,046
(Increase)/decrease in stocks	(14,133)	261,016
Decrease in debtors	690,283	17,047
(Decrease)/increase in creditors	(466,122)	325,329
Corporation tax	40,389	-
Net cash generated from operating activities	(912,520)	(939,177)
Cash flows from investing activities		
Purchase of tangible fixed assets	-	(12,480)
Sale of tangible fixed assets	337,464	-
Interest received	-	4,653
Net cash from investing activities	337,464	(7,827)
Cash and cash equivalents at beginning of year	803,459	1,750,463
Cash and cash equivalents at the end of year	228,403	803,459
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	228,403	803,459
	228,403	803,459

FITNESS PROFESSIONALS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. General information

Fitness Professionals Limited is a limited company incorporated in England and Wales (registered number : 2499039). Its registered office address is: Kalbarri House, 107-113 London Road, London, E13 0DA.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the 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 Group management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Group and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

2.3 Going concern

The directors have reviewed the going concern status of the group given the further losses incurred in the year ended 31 December 2015. Following a detailed strategic review, the directors have implemented a restructuring programme to reduce the group's costs, whilst focussing on core revenue streams. This restructuring is expected to be completed by the end of Q3 2016. The group remains debt free and at 31 December 2015 had cash balances of £228,403 and reported net assets of £2,547,908. The directors have reviewed the results for the current financial year to date and are satisfied that the impact of the cost reductions are beginning to filter through. Cash balances have stabilised and remain healthy whilst the re focussed strategy is anticipated to take full effect from the end of Q4 with an upturn in results expected through Q1 2017. Based on this assessment of the forecast performance and cash of the group and its strong asset base, the directors have concluded that the company will meet its liabilities as they fall due for a period of at least 12 months from the date of sign off of these financial statements. The accounts have therefore been prepared on the going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Sale of goods

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

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group 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.

The Group accounts for Membership income on a deferred basis with respect to the timing of recognition. Revenues from membership are recognised ratably over the expected membership life.

2.5 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, using the following method.

Depreciation is provided on the following basis:

Motor vehicles	-	25% straight line
Office equipment	-	25% straight line

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 the Consolidated Statement of Comprehensive Income.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

FITNESS PROFESSIONALS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

2. Accounting policies (continued)**2.7 Stocks**

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

2.8 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.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.10 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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.

FITNESS PROFESSIONALS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

2. Accounting policies (continued)**2.12 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.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.13 Pensions**Defined contribution pension plan**

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

The contributions are recognised as an expense in the Income Statement 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 Group in independently administered funds.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Income Statement in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

FITNESS PROFESSIONALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

2. Accounting policies (continued)

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may ultimately differ from those estimates.

Evaluation of the estimated useful lives of fixed assets, calculation of the bad debt provision and stock provisions are areas where directors need to review and assess the level of estimation uncertainty.

FITNESS PROFESSIONALS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

4. Turnover

Analysis of turnover by country of destination:

	2015 £	2014 £
United Kingdom	1,309,123	1,499,677
Rest of Europe	369,917	375,666
Rest of the world	1,963,250	1,977,004
	<u>3,642,290</u>	<u>3,852,347</u>

5. Other operating income

	2015 £	2014 £
Net rents receivable	21,130	-
	<u>21,130</u>	<u>-</u>

6. Operating loss

The operating loss is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets	28,050	29,242
Exchange differences	7,291	(13,092)
Defined contribution pension cost	13,575	11,123
	<u>48,916</u>	<u>27,273</u>

7. Auditors' remuneration

	2015 £	2014 £
Fees payable to the Group's auditor and its associates for the audit of the company's annual accounts	12,000	12,000
	<u>12,000</u>	<u>12,000</u>
Fees payable to the Group's auditor and its associates in respect of:		
The auditing of accounts of associates of the Group pursuant to legislation	6,650	5,850
Other services relating to taxation	3,500	3,050
All other services	8,350	8,350
	<u>18,500</u>	<u>17,250</u>

FITNESS PROFESSIONALS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2015 £	2014 £
Wages and salaries	1,690,387	2,029,579
Social security costs	158,835	177,133
Other pension costs	13,575	11,123
	<u>1,862,797</u>	<u>2,217,835</u>

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

2015 No.	2014 No.
<u>49</u>	<u>60</u>

9. Directors' remuneration

	2015 £	2014 £
Directors' emoluments	<u>166,500</u>	<u>364,811</u>

The highest paid director received remuneration of £97,000 (2014 - £132,793).

10. Interest receivable

	2015 £	2014 £
Other interest receivable	<u>-</u>	<u>4,653</u>
	<u>-</u>	<u>4,653</u>

11. Taxation

	2015 £	2014 £
Foreign tax		
Foreign tax on income for the year	<u>48,717</u>	<u>(53,037)</u>

FITNESS PROFESSIONALS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

11. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2014 - higher than) the standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	(1,190,741)	(1,765,241)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%)	(241,125)	(379,350)
Effects of:		
Capital allowances for year in excess of depreciation	(8,767)	668
Deferred tax not recognised	294,919	327,267
Other differences leading to an increase (decrease) in the tax charge	3,690	(1,622)
Total tax charge for the year	48,717	(53,037)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

12. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the parent Company for the year was £983,174 (2014 - loss £1,356,006).

FITNESS PROFESSIONALS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

13. Tangible fixed assets

Group

	Freehold property £	Motor vehicles £	Office equipment £	Total £
Cost or valuation				
At 1 January 2015	2,776,861	66,865	431,525	3,275,251
Disposals	(446,861)	-	(28,599)	(475,460)
Exchange adjustments	-	563	6,746	7,309
At 31 December 2015	<u>2,330,000</u>	<u>67,428</u>	<u>409,672</u>	<u>2,807,100</u>
Depreciation				
At 1 January 2015	-	66,865	384,392	451,257
Charge owned for the period	-	563	27,487	28,050
Disposals	-	-	(30,321)	(30,321)
Exchange adjustments	-	-	6,579	6,579
At 31 December 2015	<u>-</u>	<u>67,428</u>	<u>388,137</u>	<u>455,565</u>
Net book value				
At 31 December 2015	<u>2,330,000</u>	<u>-</u>	<u>21,535</u>	<u>2,351,535</u>
At 31 December 2014	<u>2,776,861</u>	<u>-</u>	<u>47,133</u>	<u>2,823,994</u>

The net book value of land and building may be further analysed as follows:

	2015 £	2014 £
Freehold	<u>2,330,000</u>	<u>2,776,861</u>

FITNESS PROFESSIONALS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Company

	Freehold property £	Motor vehicles £	Office equipment £	Total £
Cost or valuation				
At 1 January 2015	2,330,000	55,150	296,047	2,681,197
At 31 December 2015	2,330,000	55,150	296,047	2,681,197
Depreciation				
At 1 January 2015	-	55,150	269,435	324,585
Charge owned for the period	-	-	13,763	13,763
At 31 December 2015	-	55,150	283,198	338,348
At 31 December 2015	2,330,000	-	12,849	2,342,849
At 31 December 2014	2,330,000	-	26,613	2,356,613

The net book value of land and building may be further analysed as follows:

	2015 £	2014 £
Freehold	2,330,000	2,330,000

FITNESS PROFESSIONALS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

14. Fixed asset investments

Company

	Investments in subsidiary companies £	Unlisted investments £	Total £
Cost or valuation			
At 1 January 2015	1,510,600	-	1,510,600
Additions	22,294	26	22,320
At 31 December 2015	1,532,894	26	1,532,920
Impairment			
Charge for the period	22,294	-	22,294
At 31 December 2015	22,294	-	22,294
Net book value			
At 31 December 2015	1,510,600	26	1,510,626
At 31 December 2014	1,510,600	-	1,510,600

15. Stocks

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Finished goods and goods for resale	396,709	382,579	152,118	168,437
	396,709	382,579	152,118	168,437

The difference between purchase price or production cost of stocks and their replacement cost is not material.

FITNESS PROFESSIONALS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

16. Debtors

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Trade debtors	187,656	663,620	116,343	589,884
Amounts owed by group undertakings	-	-	1,521,987	558,216
Other debtors	110,189	287,601	9,366	175,949
Prepayments and accrued income	281,181	309,761	219,947	208,512
	<u>579,026</u>	<u>1,260,982</u>	<u>1,867,643</u>	<u>1,532,561</u>

17. Cash and cash equivalents

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Cash at bank and in hand	<u>228,403</u>	<u>803,459</u>	<u>137,439</u>	<u>408,117</u>

18. Creditors: Amounts falling due within one year

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Trade creditors	276,557	691,187	207,738	276,527
Amounts owed to group undertakings	-	-	1,331,462	250,250
Taxation and social security	47,036	29,219	32,300	29,219
Other creditors	81,209	183,342	11,835	45,989
Accruals and deferred income	465,840	433,014	323,217	287,046
	<u>870,642</u>	<u>1,336,762</u>	<u>1,906,552</u>	<u>889,031</u>

FITNESS PROFESSIONALS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

19. Financial instruments

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	623,882	1,823,449	1,890,049	1,771,134
	<u>623,882</u>	<u>1,823,449</u>	<u>1,890,049</u>	<u>1,771,134</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(667,676)	(1,161,490)	(1,757,999)	(735,029)
	<u>(667,676)</u>	<u>(1,161,490)</u>	<u>(1,757,999)</u>	<u>(735,029)</u>

Financial assets measured at amortised cost comprise trade and other receivables and cash.

Financial liabilities measured at amortised cost comprise trade and other payables.

20. Deferred taxation

Group

	2015 £	2014 £
At beginning of year	(148,714)	-
Charged to other comprehensive income	11,590	(148,714)
At end of year	<u>(137,124)</u>	<u>(148,714)</u>

Company

	2015 £	2014 £
At beginning of year	(148,714)	-
Charged to other comprehensive income	11,590	(148,714)
At end of year	<u>(137,124)</u>	<u>(148,714)</u>

The provision for deferred taxation is made up as follows:

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Capital gains	<u>(137,124)</u>	<u>(148,714)</u>	<u>(137,124)</u>	<u>(148,714)</u>

FITNESS PROFESSIONALS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

21. Share capital

	2015 £	2014 £
Shares classified as equity		
Allotted, called up and fully paid		
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>

22. 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 £13,575 (2014: £11,123). Contributions totalling £nil (2014: £nil) were payable to the fund at the reporting date.

23. Related party transactions

During the year service and management fees of £60,000 (2014: £15,000) were due from Ziva Fitness UK Limited, a subsidiary undertaking. As at the year end £130,128 (2014: £16,097) were due from Ziva Fitness UK Limited.

ViPR LLC ("ViPR") is a company incorporated in USA in which B Hallo is a director. At 31 December 2015 the balance owing from ViPR to FitPro was £nil (2014: £156,529).

Sabukat Technologies Pty Limited ("Sabukat") is an Australian IT development company that provides services to the group. FitPro has a 30% shareholding in Sabukat which formed part of the Personal Training on the Net Pty ("PTN") acquisition. During the year Sabukat Technologies provided services to FitPro amounting to £60,135 (2014: £35,406) and to PTN of £95,182 (2014: £143,292). At 31 December 2015 the balance owed to Sabukat from FitPro was £1,587 (2014: £3,978). In addition the PTN balance owing to Sabukat was £4,992 (2014: £9,783).

The directors of the company are considered to be key management personnel and remuneration received by them during the year was £166,500 (2014: £364,811).

24. Post balance sheet events

Since the end of the 2015 financial year the Personal Training on the Net and PTA Global businesses have been sold as part of a strategic adjustment of the Group's core business.

FITNESS PROFESSIONALS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

25. Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation
PTA Global Inc	USA
Personal Training on the Net PTY Ltd	Australia
Ziva Fitness UK Limited	UK

FITNESS PROFESSIONALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

26. First time adoption of FRS 102

Group

		As previously stated 1 January 2014 £	Effect of transition 1 January 2014 £	FRS 102 (as restated) 1 January 2014 £	As previously stated 31 December 2014 £	Effect of transition 31 December 2014 £	FRS 102 (as restated) 31 December 2014 £
	Note						
Fixed assets	1	1,505,033	1,308,622	2,813,655	1,515,370	1,308,622	2,823,992
Current assets		3,832,100	-	3,832,100	2,447,020	-	2,447,020
Creditors: amounts falling due within one year		(1,021,092)	-	(1,021,092)	(1,336,762)	-	(1,336,762)
Net current assets		2,811,008	-	2,811,008	1,110,258	-	1,110,258
Total assets less current liabilities		4,316,041	1,308,622	5,624,663	2,625,628	1,308,622	3,934,250
Provisions for liabilities	1	-	-	-	-	(148,714)	(148,714)
Net assets		4,316,041	1,308,622	5,624,663	2,625,628	1,159,908	3,785,536
Capital and reserves		4,316,040	1,308,623	5,624,663	2,625,628	1,159,908	3,785,536

FITNESS PROFESSIONALS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

26. First time adoption of FRS 102 (continued)

	As previously stated 31 December 2014 £	Effect of transition 31 December 2014 £	FRS 102 (as restated) 31 December 2014 £
Note			
Turnover	3,852,347	-	3,852,347
Cost of sales	(2,246,243)	-	(2,246,243)
	<u>1,606,104</u>	<u>-</u>	<u>1,606,104</u>
Administrative expenses	(3,375,998)	-	(3,375,998)
	<u>1,606,104</u>	<u>-</u>	<u>1,606,104</u>
Operating profit	(1,769,894)	-	(1,769,894)
Interest receivable and similar income	4,653	-	4,653
Taxation	53,037	-	53,037
	<u>53,037</u>	<u>-</u>	<u>53,037</u>
Loss on ordinary activities after taxation and for the financial year	(1,712,204)	-	(1,712,204)

Explanation of changes to previously reported profit and equity:

- 1 The group has taken an advantage of transitional provisions to revalue its freehold property and treat it as deemed cost.

FITNESS PROFESSIONALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

26. First time adoption of FRS 102 (continued)

Company

	As previously stated 1 January 2014 £	Effect of transition 1 January 2014 £	FRS 102 (as restated) 1 January 2014 £	As previously stated 31 December 2014 £	Effect of transition 31 December 2014 £	FRS 102 (as restated) 31 December 2014 £
Note						
Fixed assets	2,564,208	1,308,622	3,872,830	2,558,590	1,308,622	3,867,212
Current assets	3,200,686	-	3,200,686	2,109,116	-	2,109,116
Creditors: amounts falling due within one year	(630,210)	-	(630,210)	(889,031)	-	(889,031)
Net current assets	2,570,476	-	2,570,476	1,220,085	-	1,220,085
Total assets less current liabilities	5,134,684	1,308,622	6,443,306	3,778,675	1,308,622	5,087,297
Provisions for liabilities	-	-	-	-	(148,714)	(148,714)
Net assets	5,134,684	1,308,622	6,443,306	3,778,675	1,159,908	4,938,583
Capital and reserves	-	6,443,306	6,443,306	3,778,677	1,159,906	4,938,583

FITNESS PROFESSIONALS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

26. First time adoption of FRS 102 (continued)

	As previously stated 31 December 2014 £	Effect of transition 31 December 2014 £	FRS 102 (as restated) 31 December 2014 £
Note			
Turnover	2,611,756	-	2,611,756
Cost of sales	(1,848,684)	-	(1,848,684)
	<u>763,072</u>	<u>-</u>	<u>763,072</u>
Administrative expenses	(2,125,751)	-	(2,125,751)
	<u>763,072</u>	<u>-</u>	<u>763,072</u>
Operating profit	(1,362,679)	-	(1,362,679)
Interest receivable and similar income	6,673	-	6,673
	<u>6,673</u>	<u>-</u>	<u>6,673</u>
Loss on ordinary activities after taxation and for the financial year	(1,356,006)	-	(1,356,006)

Explanation of changes to previously reported profit and equity:

- 1 The company has taken an advantage of transitional provisions to revalue its freehold property and treat it as deemed cost.