

Company registration number 06909822 (England and Wales)

**POWER BODY NUTRITION LTD**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2023**

**POWER BODY NUTRITION LTD**

**COMPANY INFORMATION**

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<b>Directors</b>	Mr S Szulczewski	
	Mr A Magnuszewski	(Appointed 25 July 2023)
	Mr B Ratus	(Appointed 25 July 2023)
<b>Company number</b>	06909822	
<b>Registered office</b>	Unit 11 Chessingham Park Common Road Dunnington York YO19 5SE	
<b>Auditor</b>	Azets Audit Services Limited Triune Court Monks Cross Drive York YO32 9GZ	

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# POWER BODY NUTRITION LTD

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# POWER BODY NUTRITION LTD

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 MAY 2023**

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The directors present the strategic report for the year ended 31 May 2023.

### Review of the business

Power Body Nutrition Ltd is a distributor of nutritional supplements, selling goods both direct to wholesalers and consumers. Key product ranges include sports nutrition, supplements, health foods and vitamins.

The financial situation remains comfortable and is consistently improving. Thanks to available credit lines and Power Body's own capital we continue to achieve our goals and increase both profit and sales.

Our primary focus continues to be stable growth and development. Investing in technology and development of our systems allows us to subsequently grow the turnover in the face of post-Brexit restrictions as well as Covid-19 pandemic consequences.

### Principal risks and uncertainties

2023 had it's challenges with the inflation and cost of living crisis affecting our customers and their spending. Continuous supply chain issues and raw materials cost increases have been affecting Power Body's pricing. Fulfilment rate with the suppliers improved, it has not returned to pre pandemic levels just yet. Stock shortages decreased. Shipping delays continued throughout the year, with additional challenges of new import regulations.

The EU location/warehouse has continued to serve the customers in the EU to help avoid post Brexit shipping restrictions. The volume consistently increased throughout the year.

### Key performance indicators

The group focus on a number of KPI's which are assessed at both group and product level.

Turnover, gross profit margins, and administrative costs are the key areas of focus for the business to assess performance of the group as a whole.

2023 has seen another year of sales growth for the group in which total turnover has increased by almost 9.4% vs 2022, up to £34.9m vs £31.9m.

Domestic sales represent 34% of total turnover and continue to be a pivotal market for the group. Specific focus on the European market has also seen turnover rise and represents almost 66% of the total turnover of the group.

The group gross profit margin has dropped to 19.09% compared to 20.3% in 2022. Administrative costs (excluding depreciation and amortisation) have stayed at similar level as a percentage of sales between 2022 and 2023.

Staff costs have increased by around 18% compared to the 2022 year end, reflecting the ongoing steady growth of the business as well as the future growth plans. We've employed localised sales teams in new European territories.

Amortisation on software has also risen in the year due to the group's ongoing commitment to improve its internal systems and infrastructure which will allow it to continually improve efficiencies.

### Other performance indicators

We plan to continue growing sales and presence in UK & EU markets steadily. We intend to review our portfolio to assure the most profitable brands are the main focus, adapting a careful approach and minding the trends and our customers' needs. As markets continue to grow in the UK and EU we continue to invest in our IT system and optimise purchasing, control costs and manage sales.

### Other information and explanations

The director is confident that the group will continue to trade successfully and remain profitable for the foreseeable future.

**POWER BODY NUTRITION LTD**

**STRATEGIC REPORT (CONTINUED)**  
***FOR THE YEAR ENDED 31 MAY 2023***

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On behalf of the board

Mr S Szulczewski  
**Director**

22 February 2024

# POWER BODY NUTRITION LTD

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 MAY 2023**

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The directors present their annual report and financial statements for the year ended 31 May 2023.

### Principal activities

The principal activity of the company continued to be that of the online retailing of nutritional supplements.

### Results and dividends

The results for the year are set out on page 8.

Interim ordinary dividends were paid amounting to £190,000. The directors do not recommend payment of a further dividend.

### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr S Szulczewski

Mr A Magnuszewski

Mr B Ratus

(Appointed 25 July 2023)

(Appointed 25 July 2023)

### Auditor

The auditor, Azets Audit Services Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

Mr S Szulczewski

**Director**

22 February 2024

# **POWER BODY NUTRITION LTD**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 MAY 2023***

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# POWER BODY NUTRITION LTD

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF POWER BODY NUTRITION LTD

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#### Opinion

We have audited the financial statements of Power Body Nutrition Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 May 2023 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 May 2023 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.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.



# **POWER BODY NUTRITION LTD**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF POWER BODY NUTRITION LTD**

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#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept 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.

#### **Responsibilities of directors**

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the parent company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# POWER BODY NUTRITION LTD

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF POWER BODY NUTRITION LTD

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#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

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

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.
- Performing audit work over the timing and recognition of revenue and in particular whether it has been recorded in the correct accounting period.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Martin Davey (Senior Statutory Auditor)**  
**For and on behalf of Azets Audit Services Limited**

22 February 2024

**Chartered Accountants**  
**Statutory Auditor**

Triune Court  
Monks Cross Drive  
York  
YO32 9GZ

## POWER BODY NUTRITION LTD

### GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MAY 2023

	Notes	2023 £	2022 £
Turnover	3	34,880,011	31,853,489
Cost of sales		(28,222,340)	(25,388,719)
<b>Gross profit</b>		<b>6,657,671</b>	<b>6,464,770</b>
Administrative expenses		(3,858,557)	(3,484,292)
Other operating income		-	19,488
<b>Operating profit</b>	4	<b>2,799,114</b>	<b>2,999,966</b>
Interest payable and similar expenses	7	(276,325)	(96,138)
<b>Profit before taxation</b>		<b>2,522,789</b>	<b>2,903,828</b>
Tax on profit	8	(362,996)	(431,231)
<b>Profit for the financial year</b>		<b>2,159,793</b>	<b>2,472,597</b>

Profit and total comprehensive income for the financial year is all attributable to the owners of the parent company.

The group statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

# POWER BODY NUTRITION LTD

## GROUP BALANCE SHEET

AS AT 31 MAY 2023

		2023		2022	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	10		1,651,408		1,391,856
Tangible assets	11		312,993		153,150
			<u>1,964,401</u>		<u>1,545,006</u>
<b>Current assets</b>					
Stocks	13	10,466,890		12,520,805	
Debtors	14	2,509,937		2,090,108	
Cash at bank and in hand		216,406		980,390	
		<u>13,193,233</u>		<u>15,591,303</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(4,972,621)</u>		<u>(8,370,372)</u>	
<b>Net current assets</b>			<u>8,220,612</u>		<u>7,220,931</u>
<b>Total assets less current liabilities</b>			<u>10,185,013</u>		<u>8,765,937</u>
<b>Creditors: amounts falling due after more than one year</b>	18		<u>(1,159,164)</u>		<u>(1,709,881)</u>
<b>Provisions for liabilities</b>					
Deferred tax liability	19	213,000		213,000	
		<u>(213,000)</u>		<u>(213,000)</u>	
<b>Net assets</b>			<u>8,812,849</u>		<u>6,843,056</u>
<b>Capital and reserves</b>					
Called up share capital	21		10		10
Profit and loss reserves			<u>8,812,839</u>		<u>6,843,046</u>
<b>Total equity</b>			<u>8,812,849</u>		<u>6,843,056</u>

The financial statements were approved by the board of directors and authorised for issue on 22 February 2024 and are signed on its behalf by:

Mr S Szulczewski  
Director

Company registration number 06909822 (England and Wales)

# POWER BODY NUTRITION LTD

## COMPANY BALANCE SHEET

AS AT 31 MAY 2023

		2023		2022	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	10		1,651,408		1,391,856
Tangible assets	11		228,566		153,150
Investments	12		1		-
			<u>1,879,975</u>		<u>1,545,006</u>
<b>Current assets</b>					
Stocks	13	10,411,006		12,520,805	
Debtors	14	2,763,358		2,090,108	
Cash at bank and in hand		212,203		980,390	
		<u>13,386,567</u>		<u>15,591,303</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(4,968,565)</u>		<u>(8,370,372)</u>	
<b>Net current assets</b>			<u>8,418,002</u>		<u>7,220,931</u>
<b>Total assets less current liabilities</b>			<u>10,297,977</u>		<u>8,765,937</u>
<b>Creditors: amounts falling due after more than one year</b>	18		<u>(1,159,164)</u>		<u>(1,709,881)</u>
<b>Provisions for liabilities</b>					
Deferred tax liability	19	213,000		213,000	
		<u>(213,000)</u>		<u>(213,000)</u>	
<b>Net assets</b>			<u>8,925,813</u>		<u>6,843,056</u>
<b>Capital and reserves</b>					
Called up share capital	21		10		10
Profit and loss reserves			<u>8,925,803</u>		<u>6,843,046</u>
<b>Total equity</b>			<u>8,925,813</u>		<u>6,843,056</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £2,272,757 (2022 - £2,472,597 profit).

The financial statements were approved by the board of directors and authorised for issue on 22 February 2024 and are signed on its behalf by:

Mr S Szulczewski  
Director

Company registration number 06909822 (England and Wales)

# POWER BODY NUTRITION LTD

## GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2023

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
<b>Balance at 1 June 2021</b>		10	4,551,441	4,551,451
<b>Year ended 31 May 2022:</b>				
Profit and total comprehensive income		-	2,472,597	2,472,597
Dividends	9	-	(180,992)	(180,992)
<b>Balance at 31 May 2022</b>		10	6,843,046	6,843,056
<b>Year ended 31 May 2023:</b>				
Profit and total comprehensive income		-	2,159,793	2,159,793
Dividends	9	-	(190,000)	(190,000)
<b>Balance at 31 May 2023</b>		10	8,812,839	8,812,849

# POWER BODY NUTRITION LTD

## COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2023

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
<b>Balance at 1 June 2021</b>		10	4,551,441	4,551,451
<b>Year ended 31 May 2022:</b>				
Profit and total comprehensive income for the year		-	2,472,597	2,472,597
Dividends	9	-	(180,992)	(180,992)
<b>Balance at 31 May 2022</b>		10	6,843,046	6,843,056
<b>Year ended 31 May 2023:</b>				
Profit and total comprehensive income		-	2,272,757	2,272,757
Dividends	9	-	(190,000)	(190,000)
<b>Balance at 31 May 2023</b>		10	8,925,803	8,925,813

# POWER BODY NUTRITION LTD

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2023

		2023		2022	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	30	4,004,584		1,649,179	
Interest paid		(276,325)		(96,138)	
Income taxes paid		(504,996)		(608,231)	
<b>Net cash inflow from operating activities</b>		<u>3,223,263</u>		<u>944,810</u>	
<b>Investing activities</b>					
Purchase of intangible assets		(958,477)		(845,058)	
Purchase of tangible fixed assets		(162,649)		(17,702)	
Proceeds from disposal of tangible fixed assets		524		-	
<b>Net cash used in investing activities</b>		<u>(1,120,602)</u>		<u>(862,760)</u>	
<b>Financing activities</b>					
Proceeds from new bank loans		-		2,000,000	
Repayment of bank loans		(2,655,235)		(1,087,062)	
Payment of finance leases obligations		(21,410)		(29,601)	
Dividends paid to equity shareholders		(190,000)		(180,992)	
<b>Net cash (used in)/generated from financing activities</b>		<u>(2,866,645)</u>		<u>702,345</u>	
<b>Net (decrease)/increase in cash and cash equivalents</b>		<u>(763,984)</u>		<u>784,395</u>	
Cash and cash equivalents at beginning of year		980,390		195,995	
<b>Cash and cash equivalents at end of year</b>		<u><u>216,406</u></u>		<u><u>980,390</u></u>	



# POWER BODY NUTRITION LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MAY 2023**

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### 1 Accounting policies

#### Company information

Power Body Nutrition Ltd ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Unit 11 Chessingham Park, Common Road, Dunnington, York, YO19 5SE.

The group consists of Power Body Nutrition Ltd and all of its subsidiaries.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

#### 1.2 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Power Body Nutrition Ltd together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 May 2023. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

#### 1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

# POWER BODY NUTRITION LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

### 1 Accounting policies

(Continued)

#### 1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	25% straight line
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#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	8 years straight line
Plant and equipment	25% reducing balance
Fixtures and fittings	25% reducing balance
Computers	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

#### 1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

# POWER BODY NUTRITION LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

### 1 Accounting policies

(Continued)

#### 1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# POWER BODY NUTRITION LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

### 1 Accounting policies

(Continued)

#### 1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

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

# POWER BODY NUTRITION LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

### 1.12 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

### 1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# POWER BODY NUTRITION LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.14 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.15 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.16 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### **1.17 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

# POWER BODY NUTRITION LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

### 1 Accounting policies

(Continued)

#### 1.18 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

#### 1.19 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### *Depreciation and amortisation*

The depreciation and amortisation policies have been set according to management's experience of the useful lives of a typical asset in each category, something which is reviewed annually. The depreciation and amortisation charged during the year was £747,213 (2022 - £857,526) which the directors feel is a fair reflection of the benefits derived from the consumption of the intangible and tangible fixed assets in use during the period.

#### *Stock provisions*

At each reporting date an assessment is made for provisions required to properly recognise wastage, damaged goods and over absorbed overheads. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss and provided for in the balance sheet. Reversals of impairment losses are also recognised in profit or loss where these arise.

#### *Bad debt provisions*

Outstanding trade debtor balances are reviewed on a line by line basis by management to identify possible amounts where a provision is required. Management closely manage the collection of trade debtors and are therefore able to identify balances where there is uncertainty about its recoverability, and determine what provision is required (if any).

# POWER BODY NUTRITION LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

### 3 Turnover and other revenue

	2023 £	2022 £
<b>Turnover analysed by class of business</b>		
Nutritional products	34,880,011	31,853,489
	<u>34,880,011</u>	<u>31,853,489</u>
<b>Turnover analysed by geographical market</b>		
UK	11,746,487	13,917,404
Europe	22,995,957	17,930,488
Rest of the world	137,567	5,597
	<u>34,880,011</u>	<u>31,853,489</u>
<b>Other revenue</b>		
Grants received	-	19,488
	<u>-</u>	<u>19,488</u>

### 4 Operating profit

	2023 £	2022 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	121,695	152,169
Government grants	-	(19,488)
Depreciation of owned tangible fixed assets	33,807	26,227
Depreciation of tangible fixed assets held under finance leases	14,481	7,782
Loss on disposal of tangible fixed assets	328	97
Amortisation of intangible assets	698,925	823,517
Operating lease charges	140,300	76,157
	<u>1,009,535</u>	<u>1,075,349</u>

### 5 Auditor's remuneration

	2023 £	2022 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	21,350	17,380
	<u>21,350</u>	<u>17,380</u>



# POWER BODY NUTRITION LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

### 6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2023 Number	2022 Number	Company 2023 Number	2022 Number
Directors	1	1	1	1
Salaries and distribution	24	26	24	26
Office management	25	22	25	22
Total	50	49	50	49

Their aggregate remuneration comprised:

	Group 2023 £	2022 £	Company 2023 £	2022 £
Wages and salaries	1,545,287	1,321,494	1,545,287	1,321,494
Social security costs	159,882	124,261	159,882	124,261
Pension costs	29,345	25,757	29,345	25,757
Total	1,734,514	1,471,512	1,734,514	1,471,512

### 7 Interest payable and similar expenses

	2023 £	2022 £
Interest on bank overdrafts and loans	273,436	94,866
Interest on finance leases and hire purchase contracts	2,889	1,272
Total finance costs	276,325	96,138

### 8 Taxation

	2023 £	2022 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	364,000	430,000
Adjustments in respect of prior periods	(1,004)	1,231
Total current tax	362,996	431,231

# POWER BODY NUTRITION LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

### 8 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023 £	2022 £
Profit before taxation	2,522,789	2,903,828
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2022: 19.00%)	504,558	551,727
Tax effect of expenses that are not deductible in determining taxable profit	2,485	927
Depreciation on assets not qualifying for tax allowances	270	174
Research and development tax credit	(211,220)	(118,868)
Under/(over) provided in prior years	(1,004)	1,231
Other adjustments	67,907	(3,960)
Taxation charge	362,996	431,231

### 9 Dividends

	2023 £	2022 £
Recognised as distributions to equity holders:		
Interim paid	190,000	180,992

### 10 Intangible fixed assets

Group	Software £
<b>Cost</b>	
At 1 June 2022	3,701,376
Additions - internally developed	958,477
At 31 May 2023	4,659,853
<b>Amortisation and impairment</b>	
At 1 June 2022	2,309,520
Amortisation charged for the year	698,925
At 31 May 2023	3,008,445
<b>Carrying amount</b>	
At 31 May 2023	1,651,408
At 31 May 2022	1,391,856

# POWER BODY NUTRITION LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

10 Intangible fixed assets		(Continued)
Company	Software	£
<b>Cost</b>		
At 1 June 2022	3,701,376	
Additions - internally developed	958,477	
At 31 May 2023	4,659,853	
<b>Amortisation and impairment</b>		
At 1 June 2022	2,309,520	
Amortisation charged for the year	698,925	
At 31 May 2023	3,008,445	
<b>Carrying amount</b>		
At 31 May 2023	1,651,408	
At 31 May 2022	1,391,856	

11 Tangible fixed assets					
Group	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Computers	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 June 2022	8,050	289,692	95,853	35,051	428,646
Additions	118,191	84,438	2,482	3,872	208,983
Disposals	-	-	(400)	(524)	(924)
At 31 May 2023	126,241	374,130	97,935	38,399	636,705
<b>Depreciation and impairment</b>					
At 1 June 2022	419	185,516	67,331	22,230	275,496
Depreciation charged in the year	3,999	33,069	7,426	3,794	48,288
Eliminated in respect of disposals	-	-	(72)	-	(72)
At 31 May 2023	4,418	218,585	74,685	26,024	323,712
<b>Carrying amount</b>					
At 31 May 2023	121,823	155,545	23,250	12,375	312,993
At 31 May 2022	7,631	104,176	28,522	12,821	153,150

# POWER BODY NUTRITION LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

### 11 Tangible fixed assets

(Continued)

Company	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Computers	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 June 2022	8,050	289,692	95,853	35,051	428,646
Additions	38,753	77,466	1,125	3,872	121,216
Disposals	-	-	(400)	(524)	(924)
At 31 May 2023	46,803	367,158	96,578	38,399	548,938
<b>Depreciation and impairment</b>					
At 1 June 2022	419	185,516	67,331	22,230	275,496
Depreciation charged in the year	1,351	32,489	7,314	3,794	44,948
Eliminated in respect of disposals	-	-	(72)	-	(72)
At 31 May 2023	1,770	218,005	74,573	26,024	320,372
<b>Carrying amount</b>					
At 31 May 2023	45,033	149,153	22,005	12,375	228,566
At 31 May 2022	7,631	104,176	28,522	12,821	153,150

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2023 £	2022 £	Company 2023 £	2022 £
Plant and equipment	88,631	67,444	88,631	67,444

### 12 Fixed asset investments

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Investments in subsidiaries	27	-	-	1	-

# POWER BODY NUTRITION LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

### 12 Fixed asset investments (Continued)

#### Movements in fixed asset investments Company

Shares in  
subsidiaries  
£

#### Cost or valuation

At 1 June 2022

-

Additions

1

At 31 May 2023

1

#### Carrying amount

At 31 May 2023

1

At 31 May 2022

-

### 13 Stocks

	Group 2023 £	2022 £	Company 2023 £	2022 £
Finished goods and goods for resale	10,466,890	12,520,805	10,411,006	12,520,805

There was no significant difference between the value shown for finished goods and their replacement cost at the balance sheet date.

### 14 Debtors

	Group 2023 £	2022 £	Company 2023 £	2022 £
<b>Amounts falling due within one year:</b>				
Trade debtors	2,386,818	2,005,387	2,496,382	2,005,387
Amounts owed by group undertakings	-	-	147,000	-
Other debtors	45,994	34,810	42,851	34,810
Prepayments and accrued income	77,125	49,911	77,125	49,911
	<u>2,509,937</u>	<u>2,090,108</u>	<u>2,763,358</u>	<u>2,090,108</u>

# POWER BODY NUTRITION LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

### 15 Loans and overdrafts

	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans	3,209,311	5,864,546	3,209,311	5,864,546
Payable within one year	2,114,073	4,197,879	2,114,073	4,197,879
Payable after one year	1,095,238	1,666,667	1,095,238	1,666,667

Included within bank loans are individual supplier invoice financing totalling £1,542,644 (2022 - £2,858,647). Balances fall due 90 days after the loan is advanced and interest is charged at 1.75% over the variable rate.

Also included in bank loans is an additional loan facility. The facility has a balance of £1,666,667 (2022 - £2,000,000) and a final repayment date of March 2026. The loan is repayable in 41 instalments of £47,619 and interest is charged at 4.65% above the Bank of England base rate.

Also included in bank loans is a balance of £nil (2022 - £1,005,899) relating to invoice financing.

Bank loans are secured over the trade and assets of the company.

### 16 Finance lease obligations

	Group 2023 £	2022 £	Company 2023 £	2022 £
Future minimum lease payments due under finance leases:				
Within one year	29,549	22,746	29,549	22,746
In two to five years	72,107	46,459	72,107	46,459
	101,656	69,205	101,656	69,205
Less: future finance charges	(13,461)	(5,934)	(13,461)	(5,934)
	88,195	63,271	88,195	63,271

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Finance lease obligations are secured on the asset to which they relate.

# POWER BODY NUTRITION LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

### 17 Creditors: amounts falling due within one year

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans	15	2,114,073	4,197,879	2,114,073	4,197,879
Obligations under finance leases	16	24,269	20,057	24,269	20,057
Trade creditors		2,480,335	3,181,741	2,480,295	3,181,741
Corporation tax payable		64,000	206,000	64,000	206,000
Other taxation and social security		168,537	290,556	168,537	290,556
Other creditors		78,328	376,773	78,327	376,773
Accruals and deferred income		43,079	97,366	39,064	97,366
		<u>4,972,621</u>	<u>8,370,372</u>	<u>4,968,565</u>	<u>8,370,372</u>

Bank loans and obligations under finance leases are secured over the trade and assets of the company.

### 18 Creditors: amounts falling due after more than one year

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans and overdrafts	15	1,095,238	1,666,667	1,095,238	1,666,667
Obligations under finance leases	16	63,926	43,214	63,926	43,214
		<u>1,159,164</u>	<u>1,709,881</u>	<u>1,159,164</u>	<u>1,709,881</u>

Bank loans and obligations under finance leases are secured over the trade and assets of the company.

### 19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Liabilities 2023 £	Liabilities 2022 £
Accelerated capital allowances	<u>213,000</u>	<u>213,000</u>
Company	Liabilities 2023 £	Liabilities 2022 £
Accelerated capital allowances	<u>213,000</u>	<u>213,000</u>

There were no deferred tax movements in the year.

# POWER BODY NUTRITION LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

### 19 Deferred taxation (Continued)

#### 20 Retirement benefit schemes

	2023	2022
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	29,345	25,757

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

Contributions totalling £5,937 (2022 - £6,093) were payable to the fund at the year end and are included in creditors.

#### 21 Share capital

Group and company	2023	2022	2023	2022
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of £1 each	10	10	10	10

#### 22 Financial commitments, guarantees and contingent liabilities

The company's director has personal guarantees totalling £260,000 (2022: £260,000) in place over the group's borrowings.

#### 23 Operating lease commitments

##### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Within one year	141,000	120,000	141,000	120,000
Between two and five years	192,750	290,000	192,750	290,000
	333,750	410,000	333,750	410,000



# POWER BODY NUTRITION LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

### 24 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023 £	2022 £
Aggregate compensation	403,568	547,229

#### Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Sales 2023 £	Sales 2022 £	Purchases 2023 £	Purchases 2022 £
<b>Group</b>				
Entities controlled by a common director	5,738,096	4,744,173	116,112	1,497
IT Supplier and trade loan provider	-	-	890,757	785,979
<b>Company</b>				
Entities over which the company has control, joint control or significant influence	280,754	-	-	-
Entities controlled by a common director	5,738,096	4,744,173	116,112	1,497
IT Supplier and trade loan provider	-	-	890,757	785,979

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2023 £	2022 £
<b>Group</b>		
Entities controlled by a common director	-	180,746
IT Supplier and trade loan provider	-	55
<b>Company</b>		
Entities controlled by a common director	-	180,746
IT Supplier and trade loan provider	-	55

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2023 Balance £	2022 Balance £
<b>Group</b>		
Entities controlled by a common director	546,829	-

# POWER BODY NUTRITION LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

### 24 Related party transactions (Continued)

#### Company

Entities over which the company has control, joint control or significant influence

238,332 -

Entities controlled by a common director

546,829 -

### 25 Directors' transactions

Dividends totalling £190,000 (2022 - £180,992) were paid in the year in respect of shares held by the company's directors.

### 26 Controlling party

The group is controlled by Mr S Szulczewski, a director of the group.

### 27 Subsidiaries

Details of the company's subsidiaries at 31 May 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Go Herbs Limited (1)	England and Wales	The retailing of nutritional supplements	Ordinary	100.00

(1) The registered office of this company is Unit 11 Chessingham Park, Common Road, York, YO19 5SE

### 28 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	13,781	11,951
Company pension contributions to defined contribution schemes	3,600	3,600
	<u>17,381</u>	<u>15,551</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2022 - 1).

### 29 Parent company guarantee of subsidiary

Power Body Nutrition Ltd has, in accordance with s479C of the Companies Act 2006, provided a guarantee over the liabilities of its subsidiary, Go Herbs Ltd (company registration number 11951346; registered in England & Wales; registered office address Unit 11, Chessingham Park, Common Road, York, YO19 5SE) which permits the subsidiary to not obtain an audit of their individual financial statements for the year ended 31 May 2023, in accordance with the exemptions conferred by s479A Companies Act 2006.

# POWER BODY NUTRITION LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

### 30 Cash generated from group operations

	2023 £	2022 £
Profit for the year after tax	2,159,793	2,472,597
<b>Adjustments for:</b>		
Taxation charged	362,996	431,231
Finance costs	276,325	96,138
Loss on disposal of tangible fixed assets	328	97
Amortisation and impairment of intangible assets	698,925	823,517
Depreciation and impairment of tangible fixed assets	48,288	34,009
<b>Movements in working capital:</b>		
Decrease/(increase) in stocks	2,053,915	(4,883,857)
Increase in debtors	(529,393)	(521,394)
(Decrease)/increase in creditors	(1,066,593)	3,196,841
<b>Cash generated from operations</b>	<b>4,004,584</b>	<b>1,649,179</b>

### 31 Analysis of changes in net debt - group

	1 June 2022 £	Cash flows £	New finance leases £	31 May 2023 £
Cash at bank and in hand	980,390	(763,984)	-	216,406
Borrowings excluding overdrafts	(5,864,546)	2,655,235	-	(3,209,311)
Obligations under finance leases	(63,271)	21,410	(46,334)	(88,195)
	<b>(4,947,427)</b>	<b>1,912,661</b>	<b>(46,334)</b>	<b>(3,081,100)</b>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.