

Strategic Report,
Report of the Directors and
Financial Statements
for the Year Ended 31 March 2021
for
ELITE SPORTS GROUP LIMITED

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for the year ended 31 March 2021

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ELITE SPORTS GROUP LIMITED

Company Information
for the year ended 31 March 2021

Directors:	N M Friar M Underwood
Registered office:	Brookmans Park Teleport Great North Road Brookmans Park Hatfield Hertfordshire AL9 6NE
Registered number:	07111486 (England and Wales)
Auditors:	Haines Watts Birmingham LLP 5-6 Greenfield Crescent Edgbaston Birmingham B15 3BE
Bankers:	National Westminster Bank Plc Western Avenue Waterside Court Charham Kent ME4 4RT

Strategic Report
for the year ended 31 March 2021

The directors present their strategic report for the year ended 31 March 2021.

The directors aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. This review is consistent with the size and nature of the business and is written in the context of the opportunities, risks, and uncertainties faced.

The Company specialises in the supply of technical kit and sports merchandising to over 70 different multisport professional clubs. In addition to technical supply, Elite Sports Group offers full outsourced retail management, white label leisurewear and value-added services such as embroidery, embellishment, and photography. The business directly supplies the retail sector as well as operating its own retail channels.

Review of business

The results for the year were very positive despite being heavily impacted by the Coronavirus pandemic and global supply chain challenges, national lockdowns and with professional sport being played behind closed doors. The Company has still experienced growth and returned to profit.

Growth was seen across all business units. The Company is now retail partner to 7 clubs (2020: 4) and technical kit supplier to 19 clubs (2020: 13). This growth has continued post year end with further clubs contracted.

The Company changed its year end in 2020 and the comparative period is for 15 months. Comparing the same 12-month period ended March shows a strong improvement in performance. Turnover increased by £882k, a 6% increase, gross profit margin has increased from 17% to 19% and the business returned to profit, posting a positive EBITDA.

In line with the continued growth, the company has invested heavily in the infrastructure of the business to ensure controlled and sustainable growth and to future proof the business. The average number of employees has increased from 70 in 2020 to 88 in 2021 and material investment has been made to increase product ranges and stock availability and in the information systems supporting the business.

Additionally, the company has continued to invest in research and development. Within the year several projects of extended research, development and ongoing test and trialling of products was carried out. The focus remains on new products and processes to drive improvements in efficiency and to rationalise material requirements to deliver improved, innovative solutions to existing and new customers. These investments have a time lag between costs and return so the fruits of such investments will only be evident in the next financial year.

Post period trading update

The Coronavirus pandemic is still impacting the global economy and, although the financial impact on the business has been material, the Group has started the new financial year very strong and seen the growth continue.

Principal risks and uncertainties

As for many businesses of our size, the business environment in which we operate continues to be challenging. Risk awareness and a suitable control framework to manage those risks are an integral part of the day-to-day management of the business.

The immediate impact and the significant business uncertainty due to the coronavirus (COVID-19) pandemic remains the greatest risk to the business. The Company utilised the Coronavirus Job Retention Scheme and reached an agreement with several staff to be placed on furlough leave for variable periods of time. Additional restrictions grants were successfully applied for. The management team closely manage the Company's cash flow and it is the Company's policy to ensure that forecast funding requirements can be met with available committed facilities. The business is well positioned to take advantage of the opportunities available to it.

The company is exposed to several other risks. Operational risk from the increasing global supply chain, financial risk resulting from currency fluctuations and credit risk through bad debts and has in place policies and resources to manage this.

Strategic Report
for the year ended 31 March 2021

Key performance indicators

The key performance indicators that are considered by the Directors to communicate the financial performance and strength of the company are turnover, gross profit %, EBITDA and net assets.

	12 months to March 2021	12 months to March 2020	15 months to March 2020
Turnover	£16,276,808	£15,395,193	£19,243,991
Gross Profit %	19%	17%	17%
EBITDA	£396,189	(£448,406)	(£560,508)
EBITDA %	2%	-3%	-3%
Net Assets	£1,320,706	£1,086,324	£1,086,324

The directors are pleased to report an increase in turnover and gross margin. The company is confident that the investment in the business throughout the period ended 31 March 2021 places the business in a strong position for the future.

On behalf of the board:

N M Friar - Director

1 October 2021

Report of the Directors
for the year ended 31 March 2021

The directors present their report with the financial statements of the company for the year ended 31 March 2021.

Dividends

No dividends will be distributed for the year ended 31 March 2021.

Events since the end of the year

Information relating to events since the end of the year is given in the notes to the financial statements.

Directors

The directors shown below have held office during the whole of the period from 1 April 2020 to the date of this report.

N M Friar
M Underwood

Political donations and expenditure

No political donations were made in the period.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

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

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

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

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Haines Watts Birmingham LLP, were appointed during the year and will be deemed to be re-appointed under section 487(2) of the Companies Act 2006.

On behalf of the board:

N M Friar - Director

1 October 2021

Report of the Independent Auditors to the Members of
Elite Sports Group Limited

Opinion

We have audited the financial statements of Elite Sports Group Limited (the 'company') for the year ended 31 March 2021 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of 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 company's affairs as at 31 March 2021 and of its 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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 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 directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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.

In connection with our audit of the financial statements, 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 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 the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Report of the Independent Auditors to the Members of
Elite Sports Group Limited

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 a Report of the Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory framework applicable to both the company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the director and other management. The most significant were identified as the Companies Act 2006, FRS102 and relevant tax legislation.

Whilst our audit did not identify any significant matters relating to the detection of irregularities including fraud, and despite the audit being planned and conducted in accordance with ISAs (UK), there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity would likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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 a Report of the Auditors 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.

Lee Meredith ACA (Senior Statutory Auditor)
for and on behalf of Haines Watts Birmingham LLP
5-6 Greenfield Crescent
Edgbaston
Birmingham
B15 3BE

1 October 2021

Income Statement
for the year ended 31 March 2021

		Year Ended 31/3/21 £	Period 1/1/19 to 31/3/20 £
	Notes		
Turnover	3	16,276,808	19,243,991
Cost of sales		<u>(13,263,665)</u>	<u>(15,937,807)</u>
Gross profit		3,013,143	3,306,184
Administrative expenses		<u>(3,217,669)</u>	<u>(4,006,898)</u>
		(204,526)	(700,714)
Other operating income		<u>481,931</u>	<u>13,026</u>
Operating profit/(loss)	5	277,405	(687,688)
Interest payable and similar expenses	6	<u>(37,804)</u>	<u>(75,095)</u>
Profit/(loss) before taxation		239,601	(762,783)
Tax on profit/(loss)	7	<u>(5,219)</u>	<u>379,397</u>
Profit/(loss) for the financial year		<u>234,382</u>	<u>(383,386)</u>

The notes form part of these financial statements

Other Comprehensive Income
for the year ended 31 March 2021

		Year Ended 31/3/21 £	Period 1/1/19 to 31/3/20 £
	Notes		
Profit/(loss) for the year		234,382	(383,386)
Other comprehensive income		-	-
Total comprehensive income for the year		<u>234,382</u>	<u>(383,386)</u>

Balance Sheet
31 March 2021

	Notes	£	2021 £	£	2020 £
Fixed assets					
Intangible assets	8		4,286		-
Tangible assets	9		<u>271,293</u>		<u>297,083</u>
			275,579		297,083
Current assets					
Stocks	10	5,037,079		3,548,254	
Debtors	11	3,651,068		3,189,060	
Cash at bank		<u>142,932</u>		<u>112,262</u>	
		8,831,079		6,849,576	
Creditors					
Amounts falling due within one year	12	<u>4,300,952</u>		<u>4,952,000</u>	
Net current assets			4,530,127		1,897,576
Total assets less current liabilities			4,805,706		2,194,659
Creditors					
Amounts falling due after more than one year	13		(3,440,782)		(1,108,335)
Provisions for liabilities	18		(44,218)		-
Net assets			<u>1,320,706</u>		<u>1,086,324</u>
Capital and reserves					
Called up share capital	19		1,000		1,000
Retained earnings			<u>1,319,706</u>		<u>1,085,324</u>
Shareholders' funds			<u>1,320,706</u>		<u>1,086,324</u>

The financial statements were approved by the Board of Directors and authorised for issue on 1 October 2021 and were signed on its behalf by:

N M Friar - Director

Statement of Changes in Equity
for the year ended 31 March 2021

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2019	1,000	1,468,710	1,469,710
Changes in equity			
Total comprehensive income	-	(383,386)	(383,386)
Balance at 31 March 2020	1,000	1,085,324	1,086,324
Changes in equity			
Total comprehensive income	-	234,382	234,382
Balance at 31 March 2021	1,000	1,319,706	1,320,706

Cash Flow Statement
for the year ended 31 March 2021

		Year Ended	Period
		31/3/21	1/1/19
		£	to
	Notes		31/3/20
			£
Cash flows from operating activities			
Cash generated from operations	1	(2,055,000)	(528,969)
Interest paid		(29,885)	(71,037)
Interest element of hire purchase payments paid		(7,919)	(4,058)
Tax paid		300	17,466
Net cash from operating activities		<u>(2,092,504)</u>	<u>(586,598)</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(4,370)	-
Purchase of tangible fixed assets		(77,689)	(164,561)
Sale of tangible fixed assets		12,250	4,770
Net cash from investing activities		<u>(69,809)</u>	<u>(159,791)</u>
Cash flows from financing activities			
New loans in year		2,500,000	671,250
Loan repayments in year		(715,331)	(374,316)
Capital repayments in year		(24,619)	(25,689)
Amount introduced by directors		(1,031,791)	-
Amount withdrawn by directors		1,031,791	-
Government grants		432,933	-
Net cash from financing activities		<u>2,192,983</u>	<u>271,245</u>
Increase/(decrease) in cash and cash equivalents		<u>30,670</u>	<u>(475,144)</u>
Cash and cash equivalents at beginning of year	2	112,262	587,406
Cash and cash equivalents at end of year	2	<u>142,932</u>	<u>112,262</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the year ended 31 March 2021

1. **Reconciliation of profit/(loss) before taxation to cash generated from operations**

	Year Ended 31/3/21 £	Period 1/1/19 to 31/3/20 £
Profit/(loss) before taxation	239,601	(762,783)
Depreciation charges	118,784	127,180
(Profit)/loss on disposal of fixed assets	(5,596)	530
Government grants	(469,605)	-
Finance costs	37,804	75,095
	<u>(79,012)</u>	<u>(559,978)</u>
(Increase)/decrease in stocks	(1,488,825)	1,548,935
(Increase)/decrease in trade and other debtors	(386,637)	158,291
Decrease in trade and other creditors	(100,526)	(1,676,217)
Cash generated from operations	<u>(2,055,000)</u>	<u>(528,969)</u>

2. **Cash and cash equivalents**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2021

	31/3/21 £	1/4/20 £
Cash and cash equivalents	<u>142,932</u>	<u>112,262</u>

Period ended 31 March 2020

	31/3/20 £	1/1/19 £
Cash and cash equivalents	<u>112,262</u>	<u>587,406</u>

3. **Analysis of changes in net debt**

	At 1/4/20 £	Cash flow £	Other non-cash changes £	At 31/3/21 £
Net cash				
Cash at bank	<u>112,262</u>	<u>30,670</u>		<u>142,932</u>
	<u>112,262</u>	<u>30,670</u>		<u>142,932</u>
Debt				
Finance leases	(25,690)	24,619	21,875	(22,946)
Debts falling due within 1 year	(430,454)	(69,546)	-	(500,000)
Debts falling due after 1 year	<u>(76,544)</u>	<u>(1,715,123)</u>	-	<u>(1,791,667)</u>
	<u>(532,688)</u>	<u>(1,760,050)</u>	21,875	<u>(2,314,613)</u>
Total	<u>(420,426)</u>	<u>(1,729,380)</u>	<u>21,875</u>	<u>(2,171,681)</u>

Notes to the Financial Statements
for the year ended 31 March 2021

1. **Statutory information**

Elite Sports Group Limited (formally LBJ Sports Apparel Limited) is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. **Accounting policies**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

At the time of approval of these financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. In making this assessment the directors are required to consider a period of at least 12 months from the date of approval of the financial statements.

The impact of COVID-19

In response to the COVID-19 pandemic, the directors have further considered their cash flow projections to take into account the impact on the business of possible scenarios brought on by the impact of COVID-19, alongside the measures that they can take to mitigate the impact. Based on these assessments, and given the measures that could be taken to mitigate the current adverse conditions, together with the current resources available, the directors have concluded that they can continue to adopt the going concern basis in preparing the financial statements.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over their estimated useful life.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 25% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 25% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the Financial Statements - continued
for the year ended 31 March 2021

2. Accounting policies - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

3. Turnover

The turnover and profit (2020 - loss) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	Year Ended 31/3/21 £	Period 1/1/19 to 31/3/20 £
United Kingdom	15,706,762	18,692,071
Europe	390,635	454,233
Rest of the World	179,411	97,687
	<u>16,276,808</u>	<u>19,243,991</u>

Notes to the Financial Statements - continued
for the year ended 31 March 2021

4. Employees and directors

	Year Ended 31/3/21	Period 1/1/19 to 31/3/20
	£	£
Wages and salaries	1,857,199	1,963,494
Social security costs	178,945	200,058
Other pension costs	19,647	22,575
	<u>2,055,791</u>	<u>2,186,127</u>

The average number of employees during the year was as follows:

	Year Ended 31/3/21	Period 1/1/19 to 31/3/20
Management	9	10
Operational	79	60
	<u>88</u>	<u>70</u>

	Year Ended 31/3/21	Period 1/1/19 to 31/3/20
	£	£
Directors' remuneration	<u>247,034</u>	<u>339,008</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>3</u>
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Information regarding the highest paid director is as follows:

	Year Ended 31/3/21	Period 1/1/19 to 31/3/20
	£	£
Emoluments etc	<u>140,000</u>	<u>183,500</u>

Notes to the Financial Statements - continued
for the year ended 31 March 2021

5. Operating profit/(loss)

The operating profit (2020 - operating loss) is stated after charging/(crediting):

	Year Ended 31/3/21 £	Period 1/1/19 to 31/3/20 £
Other operating leases	252,729	258,388
Depreciation - owned assets	100,557	107,913
Depreciation - assets on hire purchase contracts	18,143	19,267
(Profit)/loss on disposal of fixed assets	(5,596)	530
Patents and licences amortisation	84	-
Auditors' remuneration	20,000	20,000
Foreign exchange differences	<u>(115,614)</u>	<u>83,572</u>

6. Interest payable and similar expenses

	Year Ended 31/3/21 £	Period 1/1/19 to 31/3/20 £
Bank interest	3,515	8,688
Bank loan interest	26,370	62,349
Hire purchase	7,919	4,058
	<u>37,804</u>	<u>75,095</u>

7. Taxation

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit for the year was as follows:

	Year Ended 31/3/21 £	Period 1/1/19 to 31/3/20 £
Current tax:		
UK corporation tax	3,944	(176,237)
Corporation tax adjust re previous year	(42,943)	(157,058)
Tax- Group relief	-	(7,294)
Total current tax	<u>(38,999)</u>	<u>(340,589)</u>
Deferred tax	44,218	(38,808)
Tax on profit/(loss)	<u>5,219</u>	<u>(379,397)</u>

Notes to the Financial Statements - continued
for the year ended 31 March 2021

7. **Taxation - continued**

Reconciliation of total tax charge/(credit) included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	Year Ended 31/3/21 £	Period 1/1/19 to 31/3/20 £
Profit/(loss) before tax	<u>239,601</u>	<u>(762,783)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	45,524	(144,929)
Effects of:		
Expenses not deductible for tax purposes	(760)	101
Income not taxable for tax purposes	-	(518)
Capital allowances in excess of depreciation	-	(8,901)
Depreciation in excess of capital allowances	5,728	-
Utilisation of tax losses	(46,548)	-
Adjustments to tax charge in respect of previous periods	(42,943)	-
R+D Enhancement and loss surrendered in current year	-	(75,832)
R&D Tax credit in respect of prior periods	-	(157,058)
Deferred tax reversed	44,218	(38,808)
Losses carried forward	-	46,548
Total tax charge/(credit)	<u>5,219</u>	<u>(379,397)</u>

8. **Intangible fixed assets**

	Patents and licences £
Cost	
Additions	4,370
At 31 March 2021	<u>4,370</u>
Amortisation	
Amortisation for year	84
At 31 March 2021	<u>84</u>
Net book value	
At 31 March 2021	<u>4,286</u>

Notes to the Financial Statements - continued
for the year ended 31 March 2021

9. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
Cost					
At 1 April 2020	58,681	328,619	15,210	83,586	486,096
Additions	66,086	9,296	21,875	2,307	99,564
Disposals	-	-	(15,210)	-	(15,210)
At 31 March 2021	<u>124,767</u>	<u>337,915</u>	<u>21,875</u>	<u>85,893</u>	<u>570,450</u>
Depreciation					
At 1 April 2020	28,110	118,058	6,656	36,189	189,013
Charge for year	14,664	78,273	4,635	21,128	118,700
Eliminated on disposal	-	-	(8,556)	-	(8,556)
At 31 March 2021	<u>42,774</u>	<u>196,331</u>	<u>2,735</u>	<u>57,317</u>	<u>299,157</u>
Net book value					
At 31 March 2021	<u>81,993</u>	<u>141,584</u>	<u>19,140</u>	<u>28,576</u>	<u>271,293</u>
At 31 March 2020	<u>30,571</u>	<u>210,561</u>	<u>8,554</u>	<u>47,397</u>	<u>297,083</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £	Computer equipment £	Totals £
Cost			
At 1 April 2020	-	61,655	61,655
Additions	21,875	-	21,875
At 31 March 2021	<u>21,875</u>	<u>61,655</u>	<u>83,530</u>
Depreciation			
At 1 April 2020	-	29,543	29,543
Charge for year	2,735	15,408	18,143
At 31 March 2021	<u>2,735</u>	<u>44,951</u>	<u>47,686</u>
Net book value			
At 31 March 2021	<u>19,140</u>	<u>16,704</u>	<u>35,844</u>
At 31 March 2020	<u>-</u>	<u>32,112</u>	<u>32,112</u>

10. Stocks

	2021 £	2020 £
Stocks	<u>5,037,079</u>	<u>3,548,254</u>

Notes to the Financial Statements - continued
for the year ended 31 March 2021

11. Debtors: amounts falling due within one year

	2021	2020
	£	£
Trade debtors	2,155,875	2,064,613
Other debtors	128,007	131,360
Connected company debtor	518,208	243,827
Directors' current accounts	4,432	-
Tax	214,936	176,237
VAT	20,695	55,826
Prepayments	608,915	517,197
	<u>3,651,068</u>	<u>3,189,060</u>

12. Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts (see note 14)	500,000	430,454
Hire purchase contracts (see note 15)	8,240	25,690
Trade creditors	2,080,222	2,694,218
Invoice financing facility	392,139	755,177
Amounts owed to group companies	876,790	680,409
Social security and other taxes	270,194	108,638
Other creditors	-	185,562
Accruals and deferred income	173,367	71,852
	<u>4,300,952</u>	<u>4,952,000</u>

13. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Bank loans (see note 14)	1,791,667	76,544
Hire purchase contracts (see note 15)	14,706	-
Directors' loan accounts	1,634,409	1,031,791
	<u>3,440,782</u>	<u>1,108,335</u>

14. Loans

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>500,000</u>	<u>430,454</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>1,000,000</u>	<u>76,544</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>791,667</u>	<u>-</u>

Notes to the Financial Statements - continued
for the year ended 31 March 2021

15. Leasing agreements

Minimum lease payments under hire purchase fall due as follows:

	2021	2020
	£	£
Net obligations repayable:		
Within one year	8,240	25,690
Between one and five years	14,706	-
	<u>22,946</u>	<u>25,690</u>

16. Secured debts

The company has pledged security in the form of a debenture with National Westminster Bank Plc relating to credit facilities provided to Elite Sports Group Limited (formally LBJ Sports Apparel Limited). The security contains a fixed and floating charge over all assets and undertakings of the company.

A guarantee from the UK Government to Close Invoice Finance Limited has been provided for the bank loan under the CBIL Scheme. The loan attracts 5.49% interest over the base rate and is due to be repaid by August 2026.

17. Financial instruments

Financial assets include debt instruments measured at amortised costs with a carrying value of £2,674,084 (2020 £2,439,800).

Financial liabilities include loans, trade and other creditors measured at amortised cost with a carrying value of £7,298,174 (2020 £5,879,845).

18. Provisions for liabilities

	2021	2020
	£	£
Deferred tax	<u>44,218</u>	<u>-</u>
		Deferred tax
		£
Charge to Income Statement during year		44,218
Balance at 31 March 2021		<u>44,218</u>

19. Called up share capital

Allotted, issued and fully paid:				
Number:	Class:	Nominal	2021	2020
		value:	£	£
1,000	Ordinary	1	<u>1,000</u>	<u>1,000</u>

20. Pension commitments

The company operates a defined contribution pension plan for its employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount recognised as an expense in the period was £19,647 (2020 £22,575).

Notes to the Financial Statements - continued
for the year ended 31 March 2021

21. **Ultimate parent company**

The company is a wholly owned subsidiary of Elite Corporation Limited, a company registered in the United Kingdom. The group accounts are available at Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

The ultimate controlling party is Mr N M Friar.

22. **Directors' advances, credits and guarantees**

The following advances and credits to a director subsisted during the year ended 31 March 2021 and the period ended 31 March 2020:

	2021 £	2020 £
M Underwood		
Balance outstanding at start of year	-	-
Amounts advanced	4,957	-
Amounts repaid	(525)	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>4,432</u>	<u>-</u>

23. **Related party disclosures**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Amounts due to the company from other connected parties amounted to £518,208 (2020 £243,827).

During the year, a total of key management personnel compensation of £ 863,497 (2020 - £ 1,071,969) was paid.

24. **Post balance sheet events**

On 24 August 2021, LBJ Sports Apparel Limited changed its name by resolution to Elite Sports Group Limited.

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.