

Company Registration No. 08170845 (England and Wales)

CLASS DELTA LTD
T/A THE PROTEIN WORKS
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

**CLASS DELTA LTD
T/A THE PROTEIN WORKS
COMPANY INFORMATION**

Directors Mr M Coxhead
Mr A Ghoora
Ms L Keir
Mr R Millman

Company number 08170845

Registered office TPW Towers
Units 1-2 Aragon Court
Manor Park Avenue
Runcorn
Cheshire
WA7 1SP

Auditor Cowgill Holloway LLP
Regency House
45-53 Chorley New Road
Bolton
BL1 4QR

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T/A THE PROTEIN WORKS
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**CLASS DELTA LTD
T/A THE PROTEIN WORKS
STRATEGIC REPORT**

FOR THE YEAR ENDED 31 AUGUST 2021

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

Fair review of the business

The directors are pleased to report a pre tax profit of £1,812,578 for the year ended 31 August 2021.

The directors are satisfied with the results for the period and the year-end balance sheet position. The company returned results in line with management's expectations.

The company has implemented a strategy that focuses on trading and operational activities core to the business, and this has enabled the business to generate strong profitability throughout the financial year.

The targeted results are being realised this year and are anticipated to continue being realised during 2021/2022. The directors expect this trend to continue for the foreseeable future and have also planned new strategic initiatives to accelerate more benefits in the business.

Principal risks and uncertainties

The directors monitor the overall risk profile of the Company. In addition, the directors are responsible for determining clear policies as to what the company considers acceptable levels of risk. These policies seek to enable people throughout the Company to use their expertise to identify risks that could undermine performance and to devise ways of bringing them to within acceptable levels. When the directors identify risks that are not acceptable, they develop action plans to mitigate them with clear allocation of responsibilities and timescales for completion and ensure that progress towards implementing these plans is monitored and reported upon.

The company uses various financial instruments including finance leases and loans.

The main risks arising from the company's financial instruments are market risk, interest rate risk, liquidity risk and foreign currency risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs to invest cash assets safely and profitably. Short term flexibility is achieved by the option of an overdraft facility through their banking provider.

Interest rate and foreign currency risk

The company finances its operations through a mixture of retained profits, share capital and banking facilities. The company exposure to interest rate fluctuations on its borrowings is managed by the use of a floating rate. The company could be affected adversely by an increase in interest rates charged on its bank overdraft.

The company is exposed to translation and transaction foreign exchange risk. A significant percentage of the company's sales are to customers outside the UK. These sales are invoiced in the currencies of the customers involved.

Transaction expenses in foreign currencies are hedged primarily using forward currency contracts which minimise the exchange rate risk on purchases. Whilst the aim is to achieve an economic hedge, the company does not adopt a policy of hedge accounting for these financial statements.

Credit risk

The company's principal financial assets are cash and trade debtors. The company does not have significant credit risks as the majority of its trade are done through e-commerce sales. In terms of debtors, they are fully assessed credit checked and reference checked prior to onboarding. There is also a regular monitoring programme in place to highlight and manage any potential risks.

**CLASS DELTA LTD
T/A THE PROTEIN WORKS
STRATEGIC REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2021

Market risk

Market risk encompasses three types of risk, being currency risk, fair value interest risk and price risk. The company's policies for managing fair value interest rate risk are considered along with those for managing cash flow interest rate risk are set out in the subsection entitled "interest rate risk" below. There is no price risk.

Coronavirus Pandemic

The Coronavirus Pandemic impacted the full financial year and the directors have responded to the guidelines developed by the Government and its advisors. The company has adapted to the regular market changes, and adjust trading accordingly. This has also impacted on the supply chain with raw materials and packaging price hikes and longer lead times.

The directors believe that the company is in a strong position to face future challenges and to realise opportunities, and has sufficient net assets and cash at the bank to meet funding requirements for the business.

Brexit risk

Following the UK leaving the European Union on 31 January 2020, and UK actually leaving the EU on 1st January 2021 there has been considerable uncertainty over the last year. The business has had to adapt with the ever-increasing uncertainties and lack of clarity to be able to effectively trade in Europe. Due to the changes in customs procedures, and documentation, this has impacted on lead times across European markets, and increased logistics and handling costs.

The company has a considerable turnover generated by selling its products to various customers across Europe and due to the uncertainty on customs procedures and volatility of exchange rates, this has impacted considerably on the company's ability to sell effectively through Europe, although the directors have taken action to mitigate those risks.

Other information and explanations

Key performance indicators

The directors consider the key performance indicators for the company to be customer lifetime value, average order value, growth %, gross profit margins, net promoter score, on time in full delivery and stock turnover.

Key performance indicators continue to be used throughout the business. The company's focus is to keep improving these metrics and deliver an excellent service to the customer.

Future developments

The directors are optimistic about the company's potential for profit growth in the future, and have various strategic initiatives which will help towards this.

On behalf of the board

Mr M Coxhead
Director
17 December 2021

**CLASS DELTA LTD
T/A THE PROTEIN WORKS
DIRECTORS' REPORT**

FOR THE YEAR ENDED 31 AUGUST 2021

The directors present their annual report and financial statements for the year ended 31 August 2021.

Principal activities

The principal activity of the company continued to be that of the supply of protein and other sports nutrition products, operating under the trading name of The Protein Works.

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final 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 M Coxhead
Mr A Ghoora
Ms L Keir
Mr R Millman

Auditor

The auditor, Cowgill Holloway LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

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 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 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 company's auditor 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 company's auditor is aware of that information.

CLASS DELTA LTD
T/A THE PROTEIN WORKS
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

On behalf of the board

Mr M Coxhead
Director

17 December 2021

**CLASS DELTA LTD
T/A THE PROTEIN WORKS
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CLASS DELTA LTD**

Opinion

We have audited the financial statements of Class Delta Ltd (the 'company') for the year ended 31 August 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the 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 FRS 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 August 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 *Auditor's 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 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.

**CLASS DELTA LTD
T/A THE PROTEIN WORKS
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF CLASS DELTA LTD**

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 and the directors' report.

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 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 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.

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.

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.

**CLASS DELTA LTD
T/A THE PROTEIN WORKS
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF CLASS DELTA LTD**

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussions with the directors (as required by auditing standards) and discussed with the directors the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: Companies Act 2006, Health and Safety at Work Act, Employment Law, as well as food safety and food hygiene including the Food Standards Act 1999, regulated by the Food Standards Agency UK.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Through these procedures we did not become aware of any actual or suspected non-compliance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations. We design procedures in line with our responsibilities, outlined below to detect material misstatement due to fraud:

- Matters are discussed amongst the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud
- Identifying and assessing the design and effectiveness of controls that management have in place to prevent and detect fraud
- Detecting and responding to the risks of fraud following discussions with management and enquiring as to whether management have knowledge of any actual, suspected or alleged fraud.

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.

**CLASS DELTA LTD
T/A THE PROTEIN WORKS
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF CLASS DELTA LTD**

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.

**Alex Hesketh (Senior Statutory Auditor)
For and on behalf of Cowgill Holloway LLP**

17 December 2021

**Chartered Accountants
Statutory Auditor**

Regency House
45-53 Chorley New Road
Bolton
BL1 4QR

CLASS DELTA LTD
T/A THE PROTEIN WORKS
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	2020 £
Turnover	3	25,611,658	17,599,396
Cost of sales		(13,409,465)	(9,557,090)
Gross profit		12,202,193	8,042,306
Administrative expenses		(10,426,725)	(6,733,613)
Other operating income		41,151	-
Operating profit	4	1,816,619	1,308,693
Interest payable and similar expenses	6	(4,041)	(2,354)
Profit before taxation		1,812,578	1,306,339
Tax on profit	7	(138,016)	(150,380)
Profit for the financial year		1,674,562	1,155,959

The profit and loss account has been prepared on the basis that all operations are continuing operations.

**CLASS DELTA LTD
T/A THE PROTEIN WORKS
BALANCE SHEET**

AS AT 31 AUGUST 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Intangible assets	8		206,623		167,085
Tangible assets	9		739,831		437,753
			<u>946,454</u>		<u>604,838</u>
Current assets					
Stocks	10	2,585,699		1,493,471	
Debtors	11	2,914,755		1,122,233	
Cash at bank and in hand		1,079,390		1,612,898	
		<u>6,579,844</u>		<u>4,228,602</u>	
Creditors: amounts falling due within one year	12	<u>(3,804,189)</u>		<u>(2,808,357)</u>	
Net current assets			<u>2,775,655</u>		<u>1,420,245</u>
Total assets less current liabilities			<u>3,722,109</u>		<u>2,025,083</u>
Creditors: amounts falling due after more than one year	13		(31,702)		(87,916)
Provisions for liabilities					
Deferred tax liability	15	<u>94,726</u>	(94,726)	<u>16,048</u>	(16,048)
Net assets			<u><u>3,595,681</u></u>		<u><u>1,921,119</u></u>
Capital and reserves					
Called up share capital	17		3,398		3,398
Share premium account			2,691,902		2,691,902
Profit and loss reserves			900,381		(774,181)
Total equity			<u><u>3,595,681</u></u>		<u><u>1,921,119</u></u>

The financial statements were approved by the board of directors and authorised for issue on 17 December 2021 and are signed on its behalf by:

Mr M Coxhead
Director

Company Registration No. 08170845

CLASS DELTA LTD
T/A THE PROTEIN WORKS
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2021

	Share capital	Share premium account	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 September 2019	3,398	2,691,902	(1,930,140)	765,160
Year ended 31 August 2020:				
Profit and total comprehensive income for the year	-	-	1,155,959	1,155,959
Balance at 31 August 2020	3,398	2,691,902	(774,181)	1,921,119
Year ended 31 August 2021:				
Profit and total comprehensive income for the year	-	-	1,674,562	1,674,562
Balance at 31 August 2021	3,398	2,691,902	900,381	3,595,681

**CLASS DELTA LTD
T/A THE PROTEIN WORKS
STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021		2020	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	22		97,741		1,418,355
Interest paid			(4,041)		(2,354)
Income taxes refunded/(paid)			6,222		-
Net cash inflow from operating activities			<u>99,922</u>		<u>1,416,001</u>
Investing activities					
Purchase of intangible assets		(86,704)		(153,838)	
Purchase of tangible fixed assets		(518,716)		(373,924)	
Proceeds on disposal of tangible fixed assets		30,300		-	
Net cash used in investing activities			<u>(575,120)</u>		<u>(527,762)</u>
Financing activities					
Payment of finance leases obligations		(58,310)		132,712	
Net cash (used in)/generated from financing activities			<u>(58,310)</u>		<u>132,712</u>
Net (decrease)/increase in cash and cash equivalents			<u>(533,508)</u>		<u>1,020,951</u>
Cash and cash equivalents at beginning of year			1,612,898		591,947
Cash and cash equivalents at end of year			<u><u>1,079,390</u></u>		<u><u>1,612,898</u></u>

CLASS DELTA LTD
T/A THE PROTEIN WORKS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

Company information

Class Delta Ltd is a private company limited by shares incorporated in England and Wales. The registered office is TPW Towers, Units 1-2 Aragon Court, Manor Park Avenue, Runcorn, Cheshire, WA7 1SP.

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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company 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.

The directors do not expect Brexit to have a significant impact on trade.

The financial affects of COVID-19 are uncertain however the directors are satisfied that they have taken all necessary steps to protect the company's financial position, managing restricted operations and safeguarding employees.

1.3 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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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.

1.4 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.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

CLASS DELTA LTD
T/A THE PROTEIN WORKS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

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	20% Straight Line
Trademarks	10% Straight Line

1.5 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 improvements	25% Straight Line
Plant and equipment	25% Straight Line
Computers	33% Straight Line

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 credited or charged to profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company 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.

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.

CLASS DELTA LTD
T/A THE PROTEIN WORKS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies **(Continued)**

1.7 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.

1.8 Cash at bank and in hand

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.

1.9 Financial instruments

The company 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 company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

CLASS DELTA LTD
T/A THE PROTEIN WORKS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

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 company 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 company after deducting all of its liabilities.

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.

CLASS DELTA LTD
T/A THE PROTEIN WORKS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies **(Continued)**

Derecognition of financial liabilities

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

1.10 Equity instruments

Equity instruments issued by the company 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 company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.11 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 company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

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 when the company has 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.

1.12 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.

1.13 Retirement benefits

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

CLASS DELTA LTD
T/A THE PROTEIN WORKS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies **(Continued)**

1.14 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.

2 Judgements and key sources of estimation uncertainty

In the application of the company'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.

Tangible fixed assets

The useful economic life of tangible fixed assets had to be estimated by the directors of the Company to ensure an appropriate depreciation charge is recognised in the year.

3 Turnover and other revenue

	2021	2020
	£	£
Turnover analysed by class of business		
Sale of protein and other sports nutrition products	25,611,658	17,599,396
	<u>25,611,658</u>	<u>17,599,396</u>
	2021	2020
	£	£
Turnover analysed by geographical market		
United Kingdom	16,930,592	12,016,830
Rest of World	8,681,066	5,582,566
	<u>25,611,658</u>	<u>17,599,396</u>

CLASS DELTA LTD
T/A THE PROTEIN WORKS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

4 Operating profit

	2021	2020
	£	£
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	20,846	17,500
Depreciation of owned tangible fixed assets	177,283	152,593
Depreciation of tangible fixed assets held under finance leases	39,355	17,590
Profit on disposal of tangible fixed assets	(30,300)	-
Amortisation of intangible assets	47,166	67,403
	<u> </u>	<u> </u>

5 Employees

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

	2021	2020
	Number	Number
Sales and distribution	130	87
Management and administration	4	4
	<u> </u>	<u> </u>
Total	134	91
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	4,235,333	2,655,483
Pension costs	47,494	30,955
	<u> </u>	<u> </u>
	4,282,827	2,686,438
	<u> </u>	<u> </u>

Total Directors' remuneration for the year was £Nil (2020: £Nil).

6 Interest payable and similar expenses

	2021	2020
	£	£
Other finance costs:		
Interest on finance leases and hire purchase contracts	4,041	2,275
Other interest	-	79
	<u> </u>	<u> </u>
	4,041	2,354
	<u> </u>	<u> </u>

CLASS DELTA LTD
T/A THE PROTEIN WORKS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

7 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	97,601	-
Adjustments in respect of prior periods	(38,263)	-
Total current tax	<u>59,338</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	<u>78,678</u>	<u>150,380</u>
Total tax charge	<u>138,016</u>	<u>150,380</u>

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:

	2021	2020
	£	£
Profit before taxation	<u>1,812,578</u>	<u>1,306,339</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	344,390	248,204
Tax effect of expenses that are not deductible in determining taxable profit	14,019	13,834
Tax effect of utilisation of tax losses not previously recognised	-	(72,875)
Change in unrecognised deferred tax assets	-	150,380
Effect of change in corporation tax rate	21,244	-
Group relief	(179,572)	(140,863)
Permanent capital allowances in excess of depreciation	(22,886)	(29,207)
Research and development tax credit	(39,179)	(19,093)
Taxation charge for the year	<u>138,016</u>	<u>150,380</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

8	Intangible fixed assets	Software £	Trademarks £	Total £		
	Cost					
	At 1 September 2020	534,448	37,359	571,807		
	Additions	74,062	12,642	86,704		
	At 31 August 2021	<u>608,510</u>	<u>50,001</u>	<u>658,511</u>		
	Amortisation and impairment					
	At 1 September 2020	402,161	2,561	404,722		
	Amortisation charged for the year	42,818	4,348	47,166		
	At 31 August 2021	<u>444,979</u>	<u>6,909</u>	<u>451,888</u>		
	Carrying amount					
	At 31 August 2021	<u>163,531</u>	<u>43,092</u>	<u>206,623</u>		
	At 31 August 2020	<u>132,287</u>	<u>34,798</u>	<u>167,085</u>		
9	Tangible fixed assets					
		Leasehold improvements £	Plant and equipment £	Fixtures & Fittings £	Computers £	Total £
	Cost					
	At 1 September 2020	288,098	745,680	59,176	258,135	1,351,089
	Additions	131,191	241,074	2,674	143,777	518,716
	At 31 August 2021	<u>419,289</u>	<u>986,754</u>	<u>61,850</u>	<u>401,912</u>	<u>1,869,805</u>
	Depreciation and Impairment					
	At 1 September 2020	199,335	454,923	49,265	209,813	913,336
	Depreciation charged in the year	44,781	121,828	3,861	46,168	216,638
	At 31 August 2021	<u>244,116</u>	<u>576,751</u>	<u>53,126</u>	<u>255,981</u>	<u>1,129,974</u>
	Carrying amount					
	At 31 August 2021	<u>175,173</u>	<u>410,003</u>	<u>8,724</u>	<u>145,931</u>	<u>739,831</u>
	At 31 August 2020	<u>88,763</u>	<u>290,757</u>	<u>9,911</u>	<u>48,322</u>	<u>437,753</u>

CLASS DELTA LTD
T/A THE PROTEIN WORKS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

9 Tangible fixed assets **(Continued)**

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

	2021	2020
	£	£
Plant and equipment	98,954	146,587
	<u>98,954</u>	<u>146,587</u>
Depreciation charge for the year in respect of leased assets	39,355	17,590
	<u>39,355</u>	<u>17,590</u>

10 Stocks

	2021	2020
	£	£
Raw materials and consumables	1,675,183	993,633
Finished goods and goods for resale	910,516	499,838
	<u>2,585,699</u>	<u>1,493,471</u>

11 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	1,716,424	897,559
Corporation tax recoverable	38,263	-
Amounts owed by group undertakings	696,889	93,954
Prepayments and accrued income	463,179	130,720
	<u>2,914,755</u>	<u>1,122,233</u>

12 Creditors: amounts falling due within one year

	Notes	2021	2020
		£	£
Obligations under finance leases	14	56,433	58,529
Trade creditors		2,422,682	1,694,156
Corporation tax		103,823	-
Other taxation and social security		346,697	375,902
Other creditors		10,288	7,753
Accruals and deferred income		864,266	672,017
		<u>3,804,189</u>	<u>2,808,357</u>

Finance lease obligations are secured against a fixed and floating charge and are repayable on demand.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

13 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Obligations under finance leases	14	31,702	87,916

Finance lease obligations are secured against a fixed and floating charge and are repayable on demand.

14 Finance lease obligations

	2021 £	2020 £
Future minimum lease payments due under finance leases:		
Within one year	56,433	58,529
In two to five years	31,702	87,916
	<u>88,135</u>	<u>146,445</u>

15 Deferred taxation

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

	Liabilities 2021 £	Liabilities 2020 £
Balances:		
Accelerated capital allowances	73,482	16,048
Changes in local corporation tax rate	21,244	-
	<u>94,726</u>	<u>16,048</u>
Movements in the year:		2021 £
Liability at 1 September 2020		16,048
Charge to profit or loss		78,678
Liability at 31 August 2021		<u>94,726</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

16 Retirement benefit schemes

	2021	2020
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	47,494	30,955
	<u>47,494</u>	<u>30,955</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

17 Share capital

	2021	2020	2021	2020
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary Shares of £1 each	3,398	3,398	3,398	3,398
	<u>3,398</u>	<u>3,398</u>	<u>3,398</u>	<u>3,398</u>

18 Financial commitments, guarantees and contingent liabilities

The company is currently resolving VAT distance selling matters with foreign tax authorities. The liability has been provided for and the directors do not expect any variances to be of a material value.

19 Operating lease commitments

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

	2021	2020
	£	£
Within one year	303,311	178,618
Between two and five years	712,563	506,084
	<u>1,015,874</u>	<u>684,702</u>

20 Related party transactions

The company has taken advantage of the exemption available in accordance with FRS 102 section 1.12(e) 'Related party disclosures' not to disclose transactions entered into between two or more members of a group, as the company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions. The consolidated financial statements of TPW Global Limited, of which the company is part, can be obtained from TPW Towers, Units 1-2 Aragon Court, Manor Park Avenue, Runcorn, Cheshire, United Kingdom, WA7 1SP.

21 Ultimate controlling party

The ultimate controlling party is YFM Private Equity Limited, a company registered in England & Wales.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

22 Cash generated from operations

	2021	2020
	£	£
Profit for the year after tax	1,674,562	1,155,959
Adjustments for:		
Taxation charged	138,016	150,380
Finance costs	4,041	2,354
Gain on disposal of tangible fixed assets	(30,300)	-
Amortisation and impairment of intangible assets	47,166	67,403
Depreciation and impairment of tangible fixed assets	216,638	170,183
Movements in working capital:		
Increase in stocks	(1,092,228)	(609,573)
Increase in debtors	(1,754,259)	(768,648)
Increase in creditors	894,105	1,250,297
Cash generated from operations	<u>97,741</u>	<u>1,418,355</u>

23 Analysis of changes in net funds

	1 September	Cash flows	
	2020	31 August 2021	
	£	£	£
Cash at bank and in hand	1,612,898	(533,508)	1,079,390
Obligations under finance leases	(146,445)	58,310	(88,135)
	<u>1,466,453</u>	<u>(475,198)</u>	<u>991,255</u>

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.