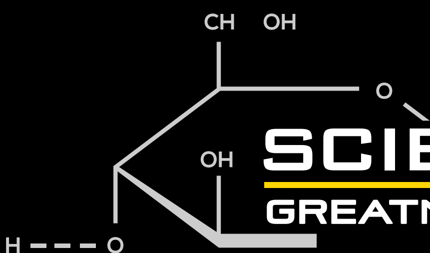
SCIENCE IN SPORT PLC

Annual Report and Accounts
9 Months Ended 31 December 2014



SCIENCE IN SPORT

GREATNESS FROM THE INSIDE OUT

Science in Sport plc

Annual report and accounts
9 months ended 31 December 2014

Company number 08535116

Contents

Highlights

These financial statements are for a nine-month period owing to a change of year end, for operational reasons, from 31 March to 31 December. The directors have also included unaudited pro forma results for the 12 months ended 31 December 2014 and, for comparative purposes, pro forma results for the 12 months ended 31 December 2013, as they believe that this will provide the reader with more relevant information with which to assess the performance of the business. Readers are also referred to the consolidated statement of comprehensive income which shows the statutory results for the nine month period.

Highlights in the twelve month period *

- Revenues increased by 23.4% to £8.03 million (12 months to 31 December 2013: £6.51 million), reflecting growth across all sales channels;
- Underlying operating loss** of £0.19 million in line with management expectations (12 months to December 2013: £0.34 million);
- New product development delivered 29% of the growth in the twelve month period;
- Significant progress with e-commerce platform, including three comprehensive technology upgrades;
- Manufacturing facility in Nelson remains the sole UK factory with Evolved Certification from Informed Sport and delivered an improved gross margin at 59.4% (12 months to 31 December 2013: 55.5%); and
- Cash and cash equivalents of £2.03 million at 31 December 2014 (31 December 2013: £0.82 million).

* Highlights are given for the pro forma 12 months to 31 December 2014 and the pro forma 12 months to 31 December 2013 to aid comparison. The pro forma figures are unaudited.

** excludes depreciation and amortisation, non-cash share based payments and exceptional items

Chairman's and Chief Executive's joint review

We are delighted to present the results of Science in Sport for the nine months ended 31 December 2014. These statutory results are for a nine-month period owing to a change of year end from 31 March to 31 December. The decision to change the year end was made for operational reasons in that March, and the weeks immediately following, coincide with the busiest time of the year for our business in the UK.

Due to this seasonality, in order to allow the reader to make meaningful comparison with prior periods, this review and the Strategic Report primarily focuses on the pro forma results for the 12 months ended 31 December 2014 and, for the 12 months ended 31 December 2013. Unless otherwise stated this Chairman's and CEO's joint review compares the pro forma year 2014 with the pro forma year 2013. These pro forma results are prepared on the same basis as the statutory accounts, but have not been audited. The statutory results for the nine month period are set out in the consolidated statement of comprehensive income, and are discussed in the Strategic Report and Directors' Report.

By way of introduction. the Company is, a highly innovative business focused on the SiS brand of endurance sports nutrition products. Our strategy is to invest in the SiS brand to drive sales growth, exploiting the organic growth of the sports nutrition sector and taking market share within the endurance nutrition category. Our commitment to improving the gross margin to underpin investment in the SiS brand whilst controlling the growth in overhead costs to single digits seeks to allow the Company to benefit from operational gearing. We are driving the brand's sales growth nationally and internationally through multiple retail channels, including our own e-commerce websites.

Our strategy has been developed to exploit the highly differentiated characteristics of the SiS brand, which is widely used by professional and elite athletes. SiS products are based on continuous innovation, resulting from scientific collaborations and in-house development expertise. In addition, the SiS product range is further differentiated by being manufactured at SiS's own low cost factory in Lancashire, which remains unique in having Evolved Certification from Informed Sport, the most rigorous banned substance testing programme for nutritional products used by athletes.

SiS is a trusted brand which, with the growing popularity of endurance sports, is attracting a broad and expanding customer base. These customers include cyclists, triathletes, rowers and runners from activities ranging from park runs to ultra-triathlons. The SiS brand is also beginning to gain traction in sports such as football, rugby and cross-country skiing. We also currently provide product to a number of Premiership football teams, leading international rugby clubs and teams, world-ranked tennis players and professional boxers.

SiS products are endorsed by the Company's Elite Sports Consultants, including the cyclists Sir Chris Hoy MBE and Mark Cavendish MBE and twice Triathlon World Champion Helen Jenkins, who have an active role in new product development. The products are further endorsed by the brand's role as an official nutrition supplier to a number of professional cycling teams, to individual elite athletes and to the GB Rowing Team. SiS also benefits from a close relationship with organisations and training centres focused on athletes' development including the English Institute of Sport.

SiS products are designed to sustain performance, to aid recovery and to build lean muscle. The core product range comprises five key product lines:

- SiS GO isotonic powders and gels – easily digestible carbohydrates for use during exercise
- SiS hydration products – including SiS GO Hydro tablets and SiS GO Electrolyte powders
- SiS GO Bars – cereal-based food bars
- SiS REGO range – drinks and protein bars for recovery after training
- SiS Protein – a whey protein range for lean muscle development

SiS is an established brand, dating back to 1992. The brand was acquired by Provexis plc in 2011 and its subsequent demerger and listing as Science in Sport plc in August 2013 has provided the business with the platform and resource to exploit the potential of the brand. If appropriate, we will consider potential acquisitions to complement our existing product range and to deliver synergies from our manufacturing, marketing and distribution capabilities.

Chairman’s and Chief Executive’s joint review

Overview of the financial year

The 12 months to 31 December 2014 was a period of rapid revenue growth, with sales up 23.4% at £8.03 million (2013: £6.51 million). This strong growth was achieved across all sales channels and reflects continued investment in our business. We believe that in our marketplace of endurance nutrition we are delivering sector leading revenue growth and also gaining market share from key competitors. The underlying operating loss was on an improving trend and in line with management expectations at £0.19 million (2013: £0.34 million loss). The loss after depreciation, amortisation and non cash share based payment charges was £1.83m (2013: £1.1m loss).

Sales Channels

The Company’s sales channels comprise our heartland of independent sports retailers, major grocers, high street chains, third party online retailers, international sales and our own e-commerce platform.

Our e-commerce platform was a particular focus during 2014. We continued to refine the SiS website, with a major update in May 2014, the introduction of a mobile version later in the year, and since the year end a dynamic version of the platform. Around half the traffic and an estimated one third of sales on our own website are now through mobile devices. To drive further traffic to our own e-commerce site we have launched our customer loyalty scheme, SiS Rewards. Nutritional content on the website and interactive nutrition Q&A sessions on social media are also resulting in increased traffic to the website.

Sales from our own e-commerce platform and those of third-party online retailers, such as Wiggle and Chain Reaction, continue to grow strongly. Since the year end we have commenced a trading relationship with Amazon, which further enhances our third-party online retailer strategy.

We have been pleased by resilient sales growth in the heartland of independent cycling and running shops. Our strategy of driving visibility in this important channel has resulted in our gaining dominant product display space in leading stores. We have recently launched a Platinum Store Programme, in which we are targeting key stores with displays, videos and other point of sale material. We are the only brand in the endurance nutrition sector to have our own sales team and during 2014 our representatives made more than 4,400 visits to individual stores across the UK.

We have continued to enjoy strong sales growth in the major grocer and high street channels. Our sales team continues to collaborate closely with Tesco with positive results in terms of in-store placement and we are benefiting from an expanded distribution agreement with Sainsbury’s. Our distribution to major grocers will increase significantly from April, with our products being made available in around 350 branches of Asda and almost 100 branches of Morrisons. High street delivered very strong growth for us across a range of key customers, with Halfords being a particularly robust performer.

Whilst the UK continues to dominate our sales, we are making good progress in rolling out the SiS brand with approximately 14% of our revenue coming from international markets. During the year, we recorded strong growth in the Benelux countries from our distribution agreement with Shimano, which commenced in May 2014. This distribution agreement, which includes eight European countries, is proceeding well and has met our growth expectations. Similarly, our distribution agreement in the Asia Pacific region has met growth expectations. In Australia, the market leading retail chain Coles, which has approximately 700 stores, is stocking our brand. We have recently signed new distribution agreements in Italy and Spain and will continue to evaluate opportunities in other countries, with the North American market currently being the focus of review.

Product Innovation

Quality and innovation are the hallmarks of the SiS brand. During the half year we continued to drive our new product development, which is underpinned by robust, evidence-based sports and nutritional science. Product launches during the year included new gels and a protein bar. We also relaunched our market leading REGO recovery product, with a 50% higher level of protein. New products, which we define as products in their first year of launch, accounted for 29% of our sales growth and 6% of total sales.

Chairman's and Chief Executive's joint review

In January this year, we launched the SiS Whey Protein range, a high quality protein powder range for lean muscle development. The research firm Euromonitor estimates that the value of the protein market for muscle development in the UK in 2013 was £200 million and a 9.7% compound annual growth rate from 2013 to 2018 is forecast.

We benefit from working closely with academic institutions and collaborators and during the year we supported a number of clinical trials, which will help to inform the development of future products. We anticipate that these trials will result in the publication of a number of peer-reviewed articles.

The product pipeline for 2015 is particularly strong, and we have a number of new product launches planned ranging from novel products, extensions into new product categories and line extensions of existing strongly selling products.

Supply chain

Our manufacturing facility in Nelson, Lancashire, performed well during the year and delivered a substantial improvement in gross margin from 55.5% to 59.4%. We continue to focus on efficiencies at the factory, through investment in both the factory and the workforce, and we enjoy cost leadership in the production of gels. In order to accommodate growing demand we recently added a fifth shift at the factory, which operates on a lean 24 hours a day, five days a week basis.

People

We have continued to develop and strengthen the SiS team during the year with the number of employees at the year end reaching 68. In August 2014, we were delighted to announce the appointment of Vivienne Sparks as Finance Director. We also continued to add people and capability in both our e-commerce and supply chain areas.

We would like to take this opportunity to thank the entire team at SiS in London and Lancashire for their energy, dedication and enthusiasm throughout the year.

Financials

Sales in the 12 months to 31 December 2014 increased 23.4% to £8.03 million (2013: £6.51 million). The underlying operating loss was £0.19 million (2013: £0.34 million), reflecting continued expenditure on marketing and sales (2014: £3.08 million, 2013: £2.57 million) to drive revenues. These results are in line with management expectations and reflect our consistent and continued investment in revenue growth.

Ongoing overheads excluding sales and marketing were £1.88 million (2013: £1.38 million) for the year, reflecting a full year of costs as a standalone plc, versus a part period in 2013. The Directors do not anticipate any such significant increase in administrative costs in the future. Depreciation and amortisation costs of £0.31 million (2013: £0.23 million) and non-cash share-based payments related to the management incentive scheme of £1.21 million (2013: £nil) resulted in a pre-tax loss of £1.83 million (2013: pre-tax loss £1.10 million).

Net cash and cash equivalents at the period end were £2.03 million (31 December 2013: £0.82 million). The increase in cash reflects an oversubscribed placing announced on 9 April 2014 in which net proceeds of £2.17 million were raised through the issue of 5,111,116 ordinary shares.

Non-cash share-based payments amounting to £1.21 million (2013: £nil) have been excluded from underlying operating loss.

The statutory audited results are for the nine months to 31 December 2014 and show revenue of £6.25 million, gross margin of 58.6% and an underlying operating loss of £0.30 million. These results are in line with the Board's expectation.

Chairman’s and Chief Executive’s joint review

Outlook

The current year has started well with sales in line with management expectations and a particularly strong performance in the e-commerce channel. The Board expects year on year revenue growth during the new financial reporting period to be weighted towards stronger growth in the second half but overall is confident of achieving financial results in line with expectations. We will continue to drive sales growth during 2015 with significant investment in marketing and sales and in new product development.

We are seeking to achieve further improvements in gross margin and we expect underlying profitability to continue on a positive trend during 2015, particularly as we begin to benefit from operational leverage. We remain confident of delivering robust growth during this year and beyond.

John Clarke
Non-Executive Chairman

Stephen Moon
Chief Executive

26 March 2015

Strategic report

The Strategic report should be read in conjunction with the Chairman's and Chief Executive's Joint review on pages 2 to 5, the Group financial statements on pages 22 to 25 and the Notes to the Group financial statements set out on pages 26 to 43.

The Annual Report and Accounts ("Annual Report") for the Group are presented under International Financial Reporting Standards ("IFRSs") as adopted by the European Union. The financial statements of the parent company are prepared in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP") and are set out on pages 44 to 46.

Company strategy
SiS seeks to maximise its product sales by undertaking the following actions:

- working closely with elite athletes and research partners to develop advocacy of SiS products by the elite sports community;
- investing in and developing SiS products with superior performance characteristics and quality;
- making SiS products available, both in the UK and internationally, through both traditional retailers and e-commerce sales;
- effective marketing of SiS products, including advertising, sponsorship and social media; and
- efficiency of production in terms of both low cost and high customer service levels.

Further detail of the Company strategy is included in the Chairman's and Chief Executive's Joint review on pages 2 to 5.

Market opportunity
According to Euromonitor International UK Sports Nutrition in 2013 continued to be very dynamic growing by 16% in current value terms and reaching value sales of £301 million. UK Sports Nutrition is expected to continue to grow with a compound annual growth rate of 9% in constant value terms in the period 2013-2018 reaching value sales of £471m. Protein powder remains the largest Category in UK Sports Nutrition with value sales of £124m. Protein bars and protein ready to drink products are displaying the fastest growth rates as consumer continue to switch to convenient on-the-go singe serve nutrition products.

Statutory audited results for the nine months ended 31 December 2014
Due to the change in year end the audited results included in the consolidated statement of comprehensive income are for the nine months to 31 December 2014. In the statutory nine month period revenue was £6.25 million, gross margin achieved was 58.6% and there was an underlying operating loss of £0.30 million. These results are in line with the Board's expectation. The loss from operations is £1.73 million which is stated after depreciation, amortisation, share based payments and exceptional costs.

At the balance sheet date the Company held inventory of £1.44 million (31 March 2014: £1.02 million) representing the growth requirements of the business. Trade and other receivables were £1.04 million (31 March 2014: £1.37 million) and equates to 55 debtor days (31 March 2014: 49 days). Cash balance as at 31 December 2014 of £2.03 million (31 March 2014: £0.63 million), the increase primarily relates to the cash received from the placing in April 2014, less working capital requirements.

Financial review - pro forma financial results
As noted in the prior period's Annual report, the Board took the decision to change the Company's accounting reference date and financial year end from 31 March to 31 December to enable the Company's external reporting period to be better aligned with demand seasonality and subsequent resource management within the business.

Due to the seasonality in the business, it is difficult to make meaningful comparisons between the results for the nine month period to December 2014 and the year to 31 March 2014. The Board has therefore elected to include pro forma information in this strategic report showing the results for the two years ended 31 December 2014 and 2013 in order to illustrate the underlying year on year business performance. These pro forma results are prepared on the same basis as the statutory accounts, but have not been audited.

Pro forma consolidated statement of comprehensive income

For the year ended 31 December

	Unaudited 2014 £000	Unaudited 2013 £000
Revenue	**8,032**	6,507
Cost of goods	**(3,265)**	(2,895)
Gross profit	**4,767**	3,612
Underlying operating loss	**(192)**	(341)
Depreciation and amortisation	**(307)**	(234)
Share based payment charges	**(1,208)**	-
Exceptional costs	**(120)**	(520)
Loss from operations	**(1,827)**	(1,095)
Finance income	**4**	1
Finance costs	**(5)**	(6)
Loss before taxation	**(1,828)**	(1,100)
Taxation	**539**	149
Loss and total comprehensive expense for the year	**(1,289)**	(951)
Attributable to:		
Owners of the parent	**(1,289)**	(951)
Loss and total comprehensive expense for the year	**(1,289)**	(951)
Loss per share to owners of the parent		
Basic and diluted – pence	**(5.5p)**	(5.6p)

Revenue

The Company has continued to grow rapidly during the year ended 31 December 2014, with sales up 23% at £8.03 million (2013: £6.51 million). Revenue growth has been achieved through a strong performance across all areas of the Company and reflects the continued investment in the business. In particular, revenue has grown across all distribution channels and includes a number of new accounts won and the launch of the Company's own e-commerce platform in 2013. In total e-commerce sales across our own platform and third party makes up more than one quarter of the business.

In 2014, the Company also continued to invest in product innovation and launched a number of new products including new gels and a protein bar. Subsequent to the year end, the SiS Whey Protein product was also launched. These are all supported by a significant advertising and promotion programme.

Gross margin

The Company generated a gross margin of £4.77 million (2013: £3.61 million) with the gross margin percentage of revenue improving to 59.4% (2013: 55.5%). This has been achieved through a continual focus on improving efficiency and cost saving in the Nelson manufacturing facility and forward buying to secure prices in advance.

Underlying operating loss
The underlying operating loss of £0.19 million (2013: £0.34 million) reflects the ongoing investment in sales and marketing to drive revenue growth together with the increase in administration costs from August 2013 when the Group listed on the AIM market and became a standalone business. Operating loss is in line with management expectations.

The Group's cost base and its resources have been and will continue to be tightly managed within budgets approved and monitored by the Board.

The Group has chosen to report underlying operating loss as the Directors believe that the operating loss before depreciation, amortisation, non cash share based payments and exceptional items provides additional useful information for shareholders on underlying trends and performance. This measure is used for internal performance analysis. A reconciliation of underlying operating loss to loss from operations is presented on the face of the consolidated statement of comprehensive income.

Share based payments
The Company operates both a Short Term Incentive Programme ("STIP") and a Long Term Incentive Programme ("LTIP"). Both programmes are disclosed and explained in the Directors' Remuneration Report. The STIP and LTIP, together the Share Option Plan ("SOP") were approved by the Remuneration Committee in June 2014 in line with the proposal contained in the Company's AIM Admission document in August 2013.

Accordingly, the Company has recognised a share based payment charges for the first time from the date of scheme approval totalling £1.21 million in the year ended 31 December 2014 (2013: £nil). Of this, £0.43 million relates to options vested as at 31 December 2014.

Exceptional costs
Exceptional costs reflect the costs of the demerger from Provexis, joining the AIM market in August 2013 and the restructuring to be a standalone business. In total these costs amounted to £0.64 million with £0.12 million incurred in 2014 and £0.52 million incurred in 2013.

Taxation
The current tax charge is £Nil (2013: £Nil) due to the loss made in the year. The deferred tax credit of £0.54 million (2013: £0.15 million) is primarily due to the recognition of a deferred tax asset in respect of taxable losses created in the year.

Losses and dividends
The loss attributable to equity holders of the parent for the year ended 31 December 2014 was £1.29 million (2013: £0.95 million) and the basic and diluted loss per share was 5.5p (2013: 5.6p). The Directors are unable to recommend the payment of a dividend (2013: £Nil).

Capital structure and funding
On 9 April 2014 the Company raised net proceeds of £2.17 million by the issue and allotment of 5,111,116 Ordinary Shares at a placing price of 45 pence per share. The placing was undertaken with new and existing institutional shareholders and was oversubscribed. The placing has enabled the Company to fund the working capital required to underpin further revenue growth and also to invest internally in further new revenue generating opportunities.

The latest placing also introduced a number of new and significant institutional investors onto the shareholder register of the Company. The Directors believe establishing a broader institutional shareholder base is in the long term interests of the Company.

The loan agreement with HSBC Equipment Finance drawn down in September 2012 is secured against a number of assets acquired by the Company for use in the Nelson factory and continues to be repaid.

Going concern
The Company made a loss after tax for the year attributable to owners of the parent of £1.29 million (2013: £0.95 million) and expects to make a further loss in the year ending 31 December 2015.

The total cash outflow from operating activities in the nine months to 31 December 2014 was £0.46 million (12 months to 31 March 2014: £1.31 million). At 31 December 2014 the Company had cash balances of £2.03

million (31 March 2014: £0.63 million). As noted above, the Company raised additional equity of £2.17 million (net of associated costs) on 9 April 2014.

The Directors have prepared projected cash flow information for a period including twelve months from the date of approval of these financial statements.

Accordingly, the Directors have a reasonable expectation that the Company will have sufficient cash to meet all liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Key performance indicators
The principal financial KPIs monitored by the Board relate to gross margin, underlying operating profit/ (loss) and cash and cash equivalents.

Gross margin in the year improved to 59.4% (2013: 55.5%) owing to efficiencies at the factory, through investment in both the factory and the workforce.

The table below shows the Company's underlying operating loss for the two years ended 31 December:

	Year ended 31 December 2014 £000	Year ended 31 December 2013 £000
Underlying operating loss	**(192)**	(341)

The trading results are further detailed on pages 6 to 8.

The table below shows the Company's cash position at 31 December 2014 and 31 March 2014:

	31 December 2014 £000	31 March 2014 £000
Cash and cash equivalents	**2,026**	631

The monitoring of cash gives due consideration to anticipated future spend required to prioritise development opportunities and to plan the resources required to achieve the goals of the business. The £1.40 million net increase in cash and cash equivalents during the financial period is primarily the result of proceeds received from share issues, as further detailed in the consolidated statement of cash flows on page 24, less the working capital requirements and capital expenditure in the period.

The Directors consider the successful launch of new products and increasing distribution both in the UK and internationally to be the major drivers of value creation for the Company. These are measures of the progress of the business towards its revenue generation goal and are considered by the Directors to be the key non-financial performance indicators used to determine achievement of Company strategy. The Company's performance with regard to such milestones is discussed in the Chairman's and Chief Executive's Joint review on pages 2 to 5.

Principal risks and uncertainties
In the course of its normal business the Company is exposed to a range of risks and uncertainties which could impact on the results of the Company. The Board considers that risk-management is an integral part of good business process and, on a bi-annual basis, reviews the industry, operational and financial risks facing the Company and considers the adequacy of the controls and mitigations to manage these risks.

The Directors have identified the following principal risks and uncertainties that could have the most significant impact on the Company's long-term value generation.

Food quality and safety
Accidental or malicious ingredient or raw material contamination, or supply chain contamination caused by human error or equipment fault or due to manufacturing or design faults could compromise the safety and quality of SiS products. The consequences could be severe and may include adverse effects on consumer health, loss of market share, financial costs and loss of turnover to SiS.

A product recall as a result of accidental or malicious ingredient or raw material contamination, or due to supply chain contamination caused by human error or equipment fault or due to manufacturing or design faults, a subsequent product re-launch may not successfully return the relevant brand to its previous market position. This could result in a loss of market share and loss of turnover to SiS.

The Group maintains product liability insurance cover to mitigate the potential impact of such an event.

The Group’s stringent approach to food quality and safety is controlled via quality assurance procedures which are based on a risk management approach. Internal systems are reviewed continuously and potential for improvement is monitored.

The manufacturing facility at Nelson is subject to regular food safety and quality control audits. Raw materials, the Nelson facility and finished products are analysed and tested regularly for banned substances by an experienced, independent surveillance company. Earlier this year SiS (Science in Sport) Limited became the first company in the UK to achieve evolved certification from Informed Sport, the quality assurance programme for nutritional products used by athletes. This evolved certification is highly rigorous and it gives the reassurance that our products are produced in a way that minimises the risk of banned substance contamination. SiS (Science in Sport) Limited is currently the only company in the UK to have achieved this evolved certification from Informed Sport.

Commodity pricing risk
Movement in the commodity prices of raw materials and, in the case of imported raw materials and other goods, the value of Sterling against other currencies may have a corresponding impact on finished product cost. Failure to manage the Company’s exposure to price increase may adversely affect the Company’s financial performance.

Customers and consumers
The Company operates in a competitive market sector and its ability to compete effectively requires an on-going commitment to marketing, product development, innovation, product quality and ability to offer value for money.

In the year two customers each contributed to more than 10% of the revenue (in the prior year one customer). The risks associated with the reliance on these main customers are recognised by the Directors and SiS will continually look to expand the number of retail outlets where SiS products can be bought and drive sales from e-commerce both in the UK and internationally. Although no single retailer accounts for more than 13% of SiS sales, the dominance of the large retail multiples and third party e-commerce retailers could force an erosion of prices and, subsequently, profit margins. Significant resources are devoted to forging strong relationships with customers.

Trademarks
The Company’s success will depend in part on its ability to obtain and protect its trademarks both in the UK and internationally. The Company cannot give definitive assurance that pending or future trademark applications will be granted or that trademarks granted will not be challenged or held unenforceable. To mitigate this, the Group enters into non-disclosure agreements with employees, consultants and prospective commercial partners but cannot assure that such agreements will provide complete safeguards against unauthorised disclosure of confidential information.

People
The Company recognises that its employees are critical to the successful delivery of service to customers. The failure to retain people of high quality would have an adverse effect on Company performance. The Company has high expectations of all staff and in return strives to provide an environment that is both challenging and rewarding.

Strategic report

Funding and other risks
The Company may require additional funding. To the extent that the current cash resources of the Company are insufficient to cover the Company's liabilities in the longer term it may be necessary to seek additional funds through future equity or debt financings and there is no certainty that such funds would be available. Any such further financings, if available at all, may be on terms that are not favourable to the Company. Further, if adequate capital cannot be obtained, the Company's operating results and financial condition could be adversely affected.

Future development
The future development of the Company is discussed in the Chairman’s and Chief Executive’s Joint review on pages 2 to 5.

Other statutory disclosures
Directors
At the end of the financial period Science in Sport plc had four Directors three of whom were male and one female.

Senior managers
At the end of the financial year Science in Sport plc had six senior managers of whom four were male and two female.

All employees
At the end of the financial year Science in Sport plc employed 68 people of whom 40 were male and 28 were female.

The Company’s employees
The Executive Directors keep staff informed of the progress and development of the Company regularly through formal and informal meetings and employee feedback is encouraged.

The Company does not discriminate between employees and prospective employees on grounds of age, race, religion or gender. Every effort is made to provide the same opportunities to disabled persons as to others.

The Board recognises its obligation towards its employees to provide a safe and healthy working environment. The Company complies with health and safety legislation including conducting regular inspections and risk assessments.

Information this report does not contain
As a result of the size and nature of the Company’s operations it was not deemed necessary to provide information about:

- Environmental matters and the impact of the company’s business on the environment.
- Social, community and human rights issues.

This Strategic report, which has been prepared in accordance with the requirements of the Companies Act 2006, has been approved and signed on behalf of the Board.

Vivienne Sparks
Secretary
26 March 2015

Directors' report

The Directors present their report together with the consolidated financial statements for the period ended 31 December 2014.

Certain information that fulfils the requirements of the Directors' report can be found elsewhere in this document and is referred to below. This information is incorporated into this Directors' report by reference.

Science in Sport plc has a wholly owned subsidiary, SiS (Science in Sport) Limited, which is registered in England and Wales.

Review of the performance of the business and future developments
The Joint review from the Chairman and Chief Executive on pages 2 to 5 and the Strategic report on pages 6 to 11 cover the Company's performance during the period ended 31 December 2014, its position at that date and its likely future development.

Board of Directors
The Board of Directors has overall responsibility for the Company.

The Directors of the Company during the year and up to the date that the financial statements were approved are shown below.

Executive Directors

S N Moon	
V J Sparks	(appointed 3 August 2014)

Non-executive Directors

J M Clarke
C D Buck

A qualifying third-party indemnity provision as defined in Section 234 of the Companies Act 2006 is in force for the benefit of each of the Directors in respect of liabilities incurred as a result of their office, to the extent permitted by law. In respect of those liabilities for which Directors may not be indemnified, the Company maintained a Directors' and officers' liability insurance policy throughout the financial year.

Details of each Directors' interests in the Company's ordinary shares and options over ordinary shares is set out in the Remuneration report on pages 17 to 19.

Dividends
No dividends were paid and none proposed (31 March 2014: £nil).

Capital structure
Information on the capital structure of the Company is included in the Strategic report on pages 6 to 11.

Financial instruments
The Group's significant financial instruments are disclosed in note 2 and include trade receivables, trade payables and cash arising from operations.

Going concern
The Directors have a reasonable expectation that the Company will continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Company's financial statements. Further detail with regards to the consideration of going concern can be found in the Strategic report on pages 6 to 11.

Directors' report

Substantial shareholdings
As at 31 December 2014, the following shareholders own more than 3% of issued share capital of the Company:

	% at 31 December 2014	Number of shares
Downing LLP	19.5%	4,901,936
Amati Global Investors Ltd	7.1%	1,777,778
DSM Venturing BV	5.7%	1,437,693
Richard David Harpin	4.0%	1,005,000
Brooks MacDonald Asset Management	3.2%	798,301

Adequacy of information supplied to auditors
Each Director has taken all reasonable steps to make himself aware of any information needed by the Company's auditors for the purpose of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

The auditors, Chantrey Vellacott DFK LLP, have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the next annual general meeting.

Directors' responsibilities
The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and have elected to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the total comprehensive profit or loss of the Group for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the Group financial statements have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements;
- state whether the Company financial statements have been prepared in accordance with applicable UK Accounting Standards, subject to any material departures disclosed and explained in the financial statements; and
- 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 requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' report

Website publication
The Directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the Company's website, www.scienceinsport.com, in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

By order of the Board

Vivienne Sparks
Secretary
26 March 2015

Corporate Governance

Board of Directors
The Board comprises a Non-executive Chairman, an additional Non-executive Director, both of whom are independent, and two Executive Directors. The Board continues to be satisfied that it has an appropriate mix of independence and experience in its Non-executive Directors.

Board responsibility
The Board is responsible for maintaining a sound system of internal control to safeguard shareholders' investment and the Company's assets, as well as reviewing its effectiveness. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material loss and misstatement.

The Board has sought to comply with a number of provisions of the Code in so far as it considers them to be appropriate to the Company's size and nature. This is considered by the Board to be reasonable and does not compromise the overall corporate governance which the Board strongly supports.

Audit Committee
The Audit Committee comprises two Non-executive Directors and is chaired by Dawson Buck. It meets as required and specifically to review the Interim Report and Annual Report and to consider the suitability and monitor the effectiveness of the internal control processes. There were two Audit Committee meetings during the year. The Audit Committee reviews the findings of the external auditors and reviews accounting policies and material accounting judgements.

The independence of the auditors is considered by the Audit Committee. The Audit Committee meets at least twice per calendar year with the auditors to discuss their objectivity and independence, the Annual Report, any audit issues arising, internal control processes and any other appropriate matters.

As well as providing audit related services, the auditors provide taxation advice, corporate finance services and share option scheme advice and undertake work in relation to the interim report. The fees in respect of the non-audit services provided are £9,000 for the period (year ended 31 March 2014: £125,000). The Audit Committee have considered the non-audit fees agreed with Chantrey Vellacott DFK LLP in respect of the demerger and are satisfied that that the objectivity and independence of the auditors is safeguarded.

The current terms of reference of the Audit Committee are set out in the governance pages on the Company's website www.scienceinsport.com.

Internal control
The Audit Committee continues to monitor and review the effectiveness of the system of internal control and report to the Board when appropriate with recommendations. There have been no significant changes to the system of internal control throughout the year.

The key control procedures operating within the Company include, but are not limited to:

1. a comprehensive system of financial budgeting, forecasting and then reporting and reviewing actual monthly results for the current year against these expectations;
2. a system of operational and financial Key Performance Indicators ("KPIs"), which are reviewed on a weekly and monthly basis;
3. procedures for appraisal, review and authorisation of capital expenditure;
4. properly authorised treasury procedures and banking arrangements;
5. regular review of materials and services supply agreements; and
6. regular review of tax, insurance and health and safety matters.

At this stage in the Company's development, the Board does not consider it appropriate to establish an internal audit function.

Corporate Governance

Nominations Committee
The Nominations Committee consists of the Chairman and the Non-executive Director. It is chaired by John Clarke and meets as required, at least once during the year.

The current terms of reference of the Nominations Committee are set out in the governance pages on the Company's website www.scienceinsport.com.

Relationship with shareholders
The Directors seek to build a mutual understanding of objectives between the Company and its shareholders. The Company reports formally to shareholders in its interim and annual reports setting out details of its activities. In addition, the Company keeps shareholders informed of events and progress through the issue of regulatory news in accordance with the AIM rules of the London Stock Exchange. The Chief Executive seeks to meet with significant shareholders following interim and final results. The Company also maintains investor relations pages and other information regarding the business, its products and activities on its website www.scienceinsport.com.

The Annual Report is sent to shareholders at least 21 working days before the Annual General Meeting. Directors are required to attend the Annual General Meetings of the Company unless unable to do so for personal reasons or due to pressing commercial commitments. Shareholders are given the opportunity to vote on each separate issue. The Company counts all proxy votes and will indicate the level of proxies lodged on each resolution, after it has been dealt with by a show of hands.

Employees
Other statutory disclosures required by the Strategic report, as detailed on page 11, report on the involvement of employees in the affairs, policy and performance of the company.

Environmental, social and community matters
As noted in the Strategic report on page 11 given the size and nature of the Company's operations, the impact of the Company's operations on the local community and the environment is not considered to be significant. Recycling of office supplies is undertaken where possible.

Remuneration report

Remuneration Committee: composition and terms of reference
The Company's Remuneration Committee since the date of Admission to AIM comprises two independent Non-executive Directors and is chaired by John Clarke.

The purpose of the Remuneration Committee is to ensure that the Executive Directors are fairly rewarded for their individual contribution to the overall performance of the Company. The Committee considers and recommends to the Board the remuneration of the Executive Directors and is kept informed of the remuneration packages of senior staff and invited to comment on these.

Policy on Executive Directors' remuneration
Executive remuneration packages are designed to attract and retain executives of the necessary skill and calibre to run the Company successfully but avoiding paying more than is necessary. Direct benchmarking of remuneration is not possible given the specialised nature and size of the Company. The Remuneration Committee recommends to the Board remuneration packages by reference to individual performance and uses the knowledge and experience of the Non-executive Directors and published surveys relating to AIM Directors, and market changes generally. The Remuneration Committee has responsibility for recommending any long term incentive schemes.

The full Board determines whether or not Executive Directors are permitted to serve in roles with other companies. Such permission is only granted where a role is on a strictly limited basis, where there are no conflicts of interest or competing activities and providing there is not an adverse impact on the commitments required to the Company. Earnings from such roles are not disclosed nor paid to the Company.

There are three main elements of the remuneration package for Executive Directors and senior staff:

(i) Basic salaries and benefits in kind
Basic salaries are recommended to the Board by the Remuneration Committee, taking into account the performance of the individual and the rates for similar positions in comparable companies. Benefits in kind comprising private medical insurance are available to all senior staff and Executive Directors.

(ii) Share option scheme
The Company operates a Share Option Plan (SOP) which grants options over Ordinary Shares to certain Directors and senior employees. The purpose of the scheme is to incentivise key members of the management team and to align their interests with those of the shareholders.

The SOP was approved by the Remuneration Committee in June 2014 as outlined in the AIM Admission document.

Under the SOP there are both short term and long term incentive arrangements. In both cases the options granted are nil-cost options, meaning that the participants are not required to pay cash to exercise the option. An Employee Benefit Trust has been established to purchase, hold and issue ordinary shares when awards are exercised. The maximum amount that can be issued under the SOP is 20% of the Company's share capital immediately prior to the date on which the SOP was approved. Options must be exercised within a period of 10 years after the vesting date for that option otherwise the option will lapse.

Short term incentive plan (STIP)
Awards are calculated as a percentage of base salary and are determined by reference to the attainment of personal objectives or sales growth or both.

Long term incentive plan (LTIP)
The LTIP element of the SOP is comprised of two parts, relating to revenue and profit achievement:

1. Revenue incentive motivates management to grow revenue in years one to three, where year three ends December 2015.
   Options of between 4.00% and 8.65% of the Company's issued ordinary share capital will be awarded based on a sliding scale of annual sales growth between 10% and 20%.

2. Profit incentive motivates management to focus on profitability in year five, where year five ends December 2017.

Options of between 3.00% and 6.35% of the Company's issued ordinary share capital will be awarded based on a sliding scale where the fifth year operating profit (after adding back amortisation of acquired goodwill and intangibles and share based payment charges) is between £1.5 million and £3.0 million.

During the period the Remuneration Committee made awards under the STIP as follows:

- In respect of the year ended 31 March 2014, 231,740 nil cost options were granted to senior employees on 22 June 2014 and 328,125 nil cost options were granted to SN Moon on 22 July 2014.

During the period the Remuneration Committee approved the following awards, which have not yet been formally granted:

- In respect of the period ended 31 December 2014, 415,151 nil cost options are expected to be granted to senior employees including Executive Directors.
- In respect of the LTIP, 2,569,270 nil cost options are estimated to be granted to senior employees including Executive Directors and has been used to derive the share based payments charge for the period.

(iii) Pension contributions
The Company pays a defined contribution to the pension scheme of Executive Directors and employees. The individual pension schemes are private and their assets are held separately from those of the Company.

Service contracts
The Chief Executive is employed under a service contract requiring twelve months' notice by either party, and the Finance Director is employed under a standard contract of employment requiring three months' notice. Non-executive Directors receive payments under appointment letters which are terminable by six months' notice from either party.

Policy on Non-executive Directors' remuneration
Dawson Buck and John Clarke each receive a fee for their services as a Director, which is approved by the Board, mindful of the time commitment and responsibilities of their roles and of current market rates for comparable organisations and appointments. Non-executive Directors are reimbursed for travelling and other minor expenses incurred.

Details of Directors' remuneration
The emoluments paid to the individual Directors of the Company for the period were as follows:

	Period ended 31 December 2014				Year ended 31 March 2014
	Salary/ fees £000	**Benefits in kind £000**	**Pension £000**	**Total £000**	Total £000
Executive Directors					
S N Moon	**142**	**2**	**-**	**144**	119
V J Sparks (appointed 3 August 2014)	**46**	**-**	**2**	**48**	-
Non-executive Directors					
C D Buck	**-**	**-**	**-**	**-**	-
J M Clarke	**26**	**-**	**-**	**26**	23
	214	**2**	**2**	**218**	142

The above fees and emoluments exclude reimbursed expenditure incurred in the conduct of Company business.

Directors' interests in shares

The Directors' interests in the ordinary shares of the Company, as recorded in the register maintained by the Company in accordance with the provisions of the Companies Act 2006, were as follows:

Beneficial interests	**Ordinary shares of 10 pence each 31 December 2014**	Ordinary shares of 10 pence each 31 March 2014
S N Moon	**421,330**	199,107
V J Sparks	**19,477**	-
J M Clarke	**178,500**	178,500
C D Buck	**418,677**	307,565
	1,037,984	685,172

Directors' interests in share options

The share options held by the Directors and not exercised at the period end date are summarised below.

	31 December 2014	31 March 2014
S N Moon	**328,125**	-

Details of share options at 31 December 2014 of the Directors who served during the year are set out below:

	Date of grant	Exercise price pence	Share price on date of grant	Number of options	Earliest exercise date	Expiry date
S N Moon	22 July 2014	0p	72.0p	328,125	22 July 2014	21 July 2019

Other than as shown in the tables above no Director had any interest in the shares or share options of the Company or its subsidiary company at 31 December 2014 or 31 March 2014.

John Clarke
Chairman of the Remuneration Committee
26 March 2015

Independent auditor's report to the members of Science in Sport plc

We have audited the financial statements of Science in Sport plc for the period ended 31 December 2014 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the parent company Balance Sheet, the parent company Reconciliation of Movement in Shareholders funds and related notes. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of affairs of the group and the parent company as at 31 December 2014 and of the group's loss for the period then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company's financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Independent auditor's report
to the members of Science in Sport plc continued

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Chairman's and Chief Executive's Statement, the Directors' report and Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

- the parent company financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

Neil Tustian (Senior Statutory Auditor)
For and on behalf of Chantrey Vellacott DFK LLP,
Chartered accountant and statutory auditor
Reading

26 March 2015

Consolidated statement of comprehensive income

	Notes	Nine month period ended 31 December 2014 £000	Year ended 31 March 2014 £000
Revenue	3	**6,252**	6,846
Cost of goods		**(2,589)**	(2,950)
Gross profit		**3,663**	3,896
Underlying operating loss		**(295)**	(395)
Depreciation and amortisation		**(227)**	(263)
Share based payments charge		**(1,208)**	-
Exceptional costs	5	**-**	(515)
Loss from operations	4,5	**(1,730)**	(1,173)
Finance income		**4**	2
Finance costs		**(4)**	(6)
Loss before taxation		**(1,730)**	(1,177)
Taxation	9	**381**	218
Loss and total comprehensive expense for the period		**(1,349)**	(959)
Attributable to:			
Owners of the parent		**(1,349)**	(959)
Loss and total comprehensive expense for the period		**(1,349)**	(959)
Loss per share to owners of the parent			
Basic and diluted - pence	10	**(5.4p)**	(5.3p)

All amounts relate to continuing operations.

The notes on pages 26 to 43 form part of these consolidated financial statements.

Consolidated statement of financial position

Company number 08535116	Notes	**As at 31 December 2014 £000**	As at 31 March 2014 £000
Assets			
Non-current assets			
Intangible assets	11	**253**	206
Property, plant and equipment	12	**729**	736
Deferred tax	18	**710**	329
Total non-current assets		**1,692**	1,271
Current assets			
Inventories	13	**1,435**	1,024
Trade and other receivables	14	**1,042**	1,371
Cash and cash equivalents	15	**2,026**	631
Total current assets		**4,503**	3,026
Total assets		**6,195**	4,297
Liabilities			
Current liabilities			
Trade and other payables	16	**(1,685)**	(1,683)
Borrowings	17	**(65)**	(65)
Total current liabilities		**(1,750)**	(1,748)
Net current assets/(liabilities)		**2,753**	1,278
Non-current liabilities			
Borrowings	17	**(49)**	(97)
Total non-current liabilities		**(49)**	(97)
Total liabilities		**(1,799)**	(1,845)
Total net assets		**4,396**	2,452
Capital and reserves attributable to owners of the parent company			
Share capital	19	**2,519**	1,952
Share premium reserve	21	**3,519**	1,855
Employee benefit trust reserve	21	**(33)**	-
Other reserve	21	**(907)**	(907)
Retained deficit	21	**(702)**	(448)
Total equity		**4,396**	2,452

These consolidated financial statements were approved and authorised for issue by the Board on 26 March 2015 and signed on its behalf by:

Stephen Moon
Director

The notes on pages 26 to 43 form part of these consolidated financial statements.

Consolidated statement of cash flows

	Notes	Nine month period ended 31 December 2014 £000	Year ended 31 March 2014 £000
Cash flows from operating activities			
Loss after tax		**(1,349)**	(959)
Adjustments for:			
Amortisation	11	**45**	38
Depreciation	12	**182**	225
Profit on sale of fixed assets	5	**-**	(1)
Net finance cost		**-**	4
Taxation	9	**(381)**	(218)
Share based payment charge		**1,208**	-
Operating cash outflow before changes in working capital		**(295)**	(911)
Changes in inventories		**(411)**	(111)
Changes in trade and other receivables		**329**	(289)
Changes in trade and other payables		**(87)**	(62)
Total cash outflow from operations		**(464)**	(1,373)
Tax credits received		**-**	68
Total cash outflow from operating activities		**(464)**	(1,305)
Cash flow from investing activities			
Purchase of property, plant and equipment	12	**(175)**	(335)
Proceeds from sale of property, plant and equipment		**-**	1
Purchase of intangible assets	11	**(92)**	(89)
Interest received		**3**	2
Net cash outflow from investing activities		**(264)**	(421)
Cash flow from financing activities			
Proceeds from issue of share capital		**2,300**	2,350
Expenses paid on share issues		**(125)**	(62)
Repayment of borrowings		**(49)**	(64)
Interest paid		**(3)**	(6)
Net cash inflow from financing activities		**2,123**	2,218
Net increase in cash and cash equivalents		**1,395**	492
Opening cash and cash equivalents	15	**631**	139
Closing cash and cash equivalents	15	**2,026**	631

The notes on pages 26 to 43 form part of these consolidated financial statements.

Consolidated statement of changes in equity

	Share capital £000	Share premium £000	Preference shares £000	Other reserve £000	Retained earnings £000	Total equity £000
At 31 March 2013	**1,519**	**-**	**-**	**(1,368)**	**524**	**675**
Issue of preference shares	-	-	13	-	-	13
Redemption of preference shares	-	-	(13)	13	(13)	(13)
Capital contribution	-	-	-	448†	-	448
Issue of shares – placing on 9 August 2013	419	1,928	-	-	-	2,347
Issue of shares – placing on 2 October 2013	14	87	-	-	-	101
Transaction costs of demerger and placings	-	(160)	-	-	-	(160)
Total comprehensive expense for the year	-	-	-	-	(959)	(959)
At 31 March 2014	**1,952**	**1,855**	**-**	**(907)**	**(448)**	**2,452**

	Share capital £000	Share premium £000	Employee benefit trust reserve £000	Other reserve £000	Retained deficit £000	Total equity £000
At 31 March 2014	**1,952**	**1,855**	**-**	**(907)**	**(448)**	**2,452**
Issue of shares – placing on 9 April 2014	511	1,789	-	-	-	2,300
Transaction costs of placings	-	(125)	-	-	-	(125)
Issue of shares to EBT on 15 August 2014	56	-	(56)	-	-	-
Exercise of share options	-	-	23	-	(23)	-
Share based payments	-	-	-	-	1,118	1,118
Total comprehensive expense for the period	-	-	-	-	(1,349)	(1,349)
At 31 December 2014	**2,519**	**3,519**	**(33)**	**(907)**	**(702)**	**4,396**

† In the prior period, and prior to the demerger (as described in note 1 to the financial statements), the Provexis group undertook a group reorganisation resulting in a capital contribution of £448,000 being recognised in respect of the waiver of intercompany debt.

The notes on pages 26 to 43 form part of these consolidated financial statements.

Notes to the consolidated financial statements

1. Accounting policies

General information
Science in Sport plc is a public limited company incorporated and domiciled in the United Kingdom (registration number 08535116). The address of the registered office is 4th Floor, 16 - 18 Hatton Gardens, Farringdon, London EC1N 8AT.

The main activities of the Company are those of developing, manufacturing and marketing sports nutrition products for professional athletes and sports enthusiasts.

Basis of preparation
The Company has elected to prepare its parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP"), and these are set out on pages 44 to 46.

The financial statements are prepared for a nine month period ending 31 December 2014 following a change of accounting reference date from March to December. The comparative period presented in these financial statements is for the year ended 31 March 2014.

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Union ("adopted IFRS") and those parts of the Companies Act 2006 that are applicable to financial statements prepared in accordance with IFRS. The Group's financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The accounting policies set out below have been applied to all periods presented in these Group financial statements and are in accordance with IFRS, as adopted by the European Union and International Financial Reporting Interpretations Committee ("IFRIC") interpretations that were applicable for the period ended 31 December 2014.

The following new standards, amendments to standards or interpretations have been issued and are effective for the period ended 31 December 2014:

- Investment Entities – Amendments and revisions to IFRS 10, IFRS 11, IFRS 12 and IAS 27
- Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32
- Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)

None of these standards has had a significant impact on the financial statements of the Group.

The following new standards, amendments to standards and interpretations have been issued but are not effective for the period ended 31 December 2014. The new standards, amendments to standards and interpretations have not been adopted early as the Directors do not expect them to have a material effect on the consolidated financial statements:

- IFRS 9 Financial Instruments 1
- IFRS 15 Revenue from contracts with customers 2
- Amendments to IFRS 11 Accounting for acquisitions of interests in joint operations 3
- Amendments to IAS 16 and 38 Clarification of acceptable methods of depreciation and amortization 3
- Amendments to IAS 19 Defined benefit plans: Employee contributions 4
- Amendments to IFRSs Annual improvements to IFRS 2010- 2012 cycle 4
- Amendments to IFRSs Annual improvements to IFRS 2011- 2013 cycle 4

1 effective periods commencing on or after 1 January 2018
2 effective periods commencing on or after 1 January 2017
3 effective periods commencing on or after 1 January 2016
4 effective periods commencing on or after 1 July 2014

Notes to the consolidated financial statements

1. Accounting policies (continued)

Going concern
The Directors are of the opinion that as at 26 March 2015, the Company and the Company's liquidity and capital resources are adequate to deliver the current strategic objectives having considered projected cash flow information for a period including twelve months from the date of approval of these financial statements and that the Company and SiS (Science in Sport) Limited remain a going concern.

Basis of consolidation
The consolidated financial information presents the results of the Company and its subsidiary, SiS (Science in Sport) Limited, as if they formed a single entity ("the Company"). Both group companies share the same reporting date, 31 December 2014 (previously 31 March). All intra company balances are eliminated in preparing the financial statements.

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases.

The transfer of SiS (Science in Sport) Limited to the Company on 9 August 2013 has been accounted for in accordance with the principles of reverse acquisition accounting as set out in IFRS 3, ‘Business Combinations’.

The financial statements are therefore presented as if SiS (Science in Sport) Limited had been owned and controlled by the Company for the full prior financial year. Comparatives have been prepared as if the continuing operations of the Company were in existence for the whole of the prior period.

Revenue
Revenue comprises sale of goods to external customers at the fair value of consideration received or receivable and is shown net of value added tax or local taxes on sales.

Revenue from sales to external customers is recognised when the significant risks and rewards of ownership have been transferred to the buyer in accordance with the customer terms. This is when goods are dispatched to export customers and when the goods are delivered for other UK customers. Sales rebate and discount reserves are established based on management’s best estimate of the amounts necessary to meet claims by customers in respect of these rebates and discounts. The provision is made at the time of sale and released, if unutilised, after assessment that the likelihood of such a claim being made has become remote.

All revenue originates in the United Kingdom.

Segment reporting
The Directors have determined that only one operating segment exists under the terms of International Financial Reporting Standard 8 ‘Operating Segments’, as the Company is organised and operates as a single business unit.

Use of non-GAAP profit measure – underlying operating loss
The Directors believe that the operating loss before depreciation, amortisation and impairment of intangibles, share based payments and exceptional items as a measure provides additional useful information for shareholders on underlying trends and performance. This measure is used for internal performance analysis. Underlying operating loss is not defined by IFRS and therefore may not be directly comparable with other companies’ adjusted profit measures. It is not intended to be a substitute for, or superior to IFRS measurements of profit. A reconciliation of underlying operating loss to statutory operating loss is set out on the face of the Statement of Comprehensive Income.

Exceptional items
Exceptional items are those material items which, by virtue of their size or incidence, are presented in aggregate, separately in the Statement of Comprehensive Income to give a full understanding of the Company’s underlying financial performance. Transactions which may give rise to exceptional items include the restructuring of business activities and acquisitions.

Notes to the consolidated financial statements

1. Accounting policies (continued)

Foreign currency translation
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Employee benefits
(i) Defined contribution plans
The Company provides retirement benefits to a number of employees and Executive Directors. The assets of these schemes are held separately from those of the Company in independently administered funds. Contributions made by the Company are charged to the statement of comprehensive income in the period in which they become payable.

(ii) Accrued holiday pay
Provision has been made at the balance sheet date for holidays accrued but not taken at the salary of the relevant employee at that date.

Leased assets
Leases, which contain terms whereby the company does not assume substantially all the risks and rewards incidental to ownership of the leased item are classified as operating leases. Operating lease rentals are charged to the Statement of Comprehensive Income on a straight line basis over the lease term. The company does not hold any assets under finance leases.

Interest income
Interest income is recognised on a time-proportion basis using the effective interest rate method.

Research and development
Expenditure on research and development activities of internal projects are written off as incurred unless the criteria are met to recognise an intangible asset in accordance with IFRS 38 'Intangible assets'. Costs incurred include a proportion of salaries and other related expenditure.

Taxation
Current tax is provided at amounts expected to be recovered or to be paid using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. When research and development tax credits are claimed they are recognised on an accruals basis and are included as a taxation credit.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability on the balance sheet differs from its tax base, except for differences arising on:

- The initial recognition of goodwill;
- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- Investments in subsidiaries where the Company is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profits will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered). Deferred tax balances are not discounted.

Notes to the consolidated financial statements

1. Accounting policies (continued)

Property, plant and equipment
Plant and equipment assets are stated at cost. Cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is charged to the Statement of Comprehensive Income on all plant and equipment at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight line basis over their estimated useful lives, which is:

Leasehold improvements	- Over the length of the lease
Plant and machinery	- 4 - 10 years
Fixtures and fittings	- 4 years
Motor vehicles	- 4 years

The assets' residual values and useful lives are determined by the Directors and reviewed and adjusted if appropriate at each balance sheet date in accordance with the Company policy for impairment of assets.

Intangible assets
Externally acquired intangible assets are initially recognised at cost less impairment and subsequently amortised on a straight line basis over their expected useful economic lives as follows:

Website design costs	- 5 years
Computer software	- 5 years

Impairment of assets
Assets that have a finite useful life but that are not yet in use and are therefore not subject to amortisation or depreciation are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment annually and when events or circumstances suggest that the carrying amount may not be recoverable an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value, less disposal costs, 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.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss is recognised immediately in the Statement of Comprehensive Income, 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.

The gain or loss on the disposal of an asset is accounted for in the Statement of Comprehensive Income of the period in which the disposal occurs as the difference between the net sale proceeds and the carrying amount.

Inventories
Inventories are stated at the lower of cost and net realisable value. Cost is calculated as follows:

Raw materials	- cost of purchase on a first in, first out basis.
Work in progress and finished goods	- cost of raw materials and labour, together with attributable overheads based on the normal level of activity.

Net realisable value is based on estimated selling price less further costs to completion and disposal. A charge is made to the income statement for slow moving inventories. The charge is reviewed at each balance sheet date.

Notes to the consolidated financial statements

1. Accounting policies (continued)

Financial instruments
Financial assets
The Company's financial assets are comprised of 'trade and other receivables' and 'cash and cash equivalents'. They are recognised, when the Company becomes a party to the contractual provisions of the instrument, initially at their fair value and subsequently at amortised cost when the Company becomes a party to the contractual provisions of the instrument. The Company will assess at each balance sheet date whether there is objective evidence that the financial asset is impaired. If an asset is judged to be impaired the carrying amount of the asset will be adjusted to its impaired valuation.

Financial liabilities
The Company's financial liabilities comprise 'trade and other payables' and 'borrowings'. These are recognised initially at fair value and subsequently at amortised cost.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and in hand.

Critical accounting estimates and judgements
The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Estimates and judgements are continually made and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances.

As the use of estimates is inherent in financial reporting, actual results could differ from these estimates. The Directors believe the following to be the key areas of estimation and judgement:

(i) Valuation of inventories

Inventories are valued at the lower of cost and net realisable value. Cost comprises direct materials, labour and, where appropriate, overheads that have been incurred in bringing the inventory to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(ii) Recognition of product rebates

Product rebates offered to certain customers are treated as a reduction in sales. Where the rebates are volume related an estimate for the reporting period is included for the expected sales relevant to each customer contract period.

(iii) Useful economic lives and residual values of intangible asset and property, plant and equipment

In relation to finite life intangible assets and property, plant and equipment, useful economic lives and residual values of assets have been established using historical experience and an assessment of the nature of the assets involved. Assets are assessed on an ongoing basis to determine whether circumstances exist that could lead to potential impairment of the carrying value of such assets.

(iv) Recognition of deferred tax asset

The Directors consider it appropriate to recognise a deferred tax asset in respect of tax losses on the basis that suitable taxable profits against which losses can be utilised will be generated in the foreseeable future.

Notes to the consolidated financial statements

1. Accounting policies (continued)

Significant accounting policies introduced since the last annual financial statements

Share based payments

Some employees are granted share options which may allow these employees to acquire shares in the Company, if certain performance conditions are met.

The fair value of share options is recognised as an employee expense in the income statement with a corresponding increase in equity. The fair values of options are calculated at the earlier of the date on which an expectation of the share options arise and the date on which the options are granted. All options have a £nil exercise price and no market based performance conditions, therefore the fair value has been calculated using the market value of the shares at the date of grant adjusted for any non- entitlement to dividends over the vesting period.

The amount recognised as an expense is adjusted to reflect the number of equity instruments vested or expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of shares that eventually vest.

The social security contributions payable in connection with the grant of the share options is considered an integral part of the grant itself, and the charge will be treated as a cash settled transaction.

Employee Benefit Trust ('EBT')

As the Company is deemed to have control of the EBT, it is treated as a subsidiary and consolidated for the purpose of the Group accounts. The EBT's investment in the Company's shares is deducted from shareholders' funds in the Group balance sheet as if they were treasury shares.

2. Financial risk management

2.1 Financial risk factors

The Company's activities inevitably expose it to a variety of financial risks: market risk (including currency risk, cash flow interest rate risk and fair value interest rate risk), credit risk and liquidity risk.

It is Company policy not to enter into speculative positions using complex financial instruments. The Company's primary treasury objective is to minimise exposure to potential capital losses whilst at the same time securing favourable market rates of interest on Company cash deposits using money market deposits with banks. Cash balances used to settle the liabilities from operating activities are also maintained in current accounts which earn interest at variable rates.

(a) Market risk
Foreign exchange risk
The Company primarily enters into contracts which are to be settled in UK pounds. However, some contracts involve other major world currencies including the US Dollar and the Euro. Where large contracts of more than £50,000 total value are to be settled in foreign currencies consideration is given to converting the appropriate amounts to or from UK pounds at the outset of the contract to minimise the risk of adverse currency fluctuations.

The Directors consider that the Company incurred minimal expenditure in foreign currencies during the year, and the prior year, and consequently there is currently no material exposure to foreign currency rate risk, although this may change in the future as export markets are developed.

Cash flow and fair value interest rate risk
The Company's interest rate risk arises from medium term and short term money market deposits. Deposits which earn variable rates of interest expose the Company to cash flow interest rate risk. Deposits at fixed rates expose the Company to fair value interest rate risk. The Company had no fixed rate deposits during the year. The Company analyses its interest rate exposure on a dynamic basis throughout the year.

Notes to the consolidated financial statements

2. Financial risk management

2.1 Financial risk factors

Due to the relatively low level of the Company's borrowings no interest rate swaps or other forms of interest risk management have been undertaken. There is no cash flow risk associated with these borrowings which are at fixed interest rates and an agreed payment schedule.

(b) Credit risk
Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions as well as credit exposure in relation to outstanding receivables. Company policy is to place deposits with institutions with investment grade A2 or better (Moody's credit rating) and deposits are made in sterling only.

The Company does not expect any losses from non-performance by these institutions. Management believes that the carrying value of outstanding receivables and deposits with banks represents the Company's maximum exposure to credit risk.

The top 10 customers account for 58% of the Company's revenue and hence there is some risk from the concentration of customers, however the largest single customer is only 12% of revenue and is a major international business. Within the Company's receivables at the year end all debtors more than 3 months overdue were fully provided. As at 31 December 2014, the provision for doubtful debts totalled £37,000. The Board believes no further provision is required for doubtful debts.

(c) Liquidity risk
Liquidity risk arises from the Company's management of working capital; it is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and management monitors rolling forecasts of the Company's liquidity on the basis of expected cash flow.

The Company had trade and other payables at the statement of financial position date of £1,685,000 (2013: £1,683,000) as disclosed in note 16.

2.2 Capital risk management

The Company considers its capital to comprise its ordinary share capital, share premium, other reserve and accumulated retained earnings as disclosed in the consolidated statement of financial position.

The Company remains funded primarily by equity capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for equity holders of the Company and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company also has an asset loan agreement secured over plant and equipment for a four year term expiring in September 2016 at a fixed interest rate of 3.96%.

3. Segmental reporting

The Directors have determined that only one operating segment exists under the terms of IFRS 8 Operating Segments, as the Group is organised and operates as a single business unit.

Revenues from two customers of £750,000 and £678,000 individually exceed 10% of Group revenue (year ended 31 March 2014: one, £852,000). These major customers purchase goods from the Company.

Turnover by geographic destination may be analysed as follows:	**Nine month period ended 31 December 2014 £000**	Year ended 31 March 2014 £000
United Kingdom	**5,291**	5,929
EU excluding the UK	**721**	690
Rest of the World	**240**	227
	6,252	6,846

Notes to the consolidated financial statements

4. Operating expenses

	Nine month period ended 31 December 2014 £000	Year ended 31 March 2014 £000
Sales and marketing costs	**2,433**	2,759
Operating costs	**1,525**	1,532
Depreciation and amortisation	**227**	263
Share based payment charge (1)	**1,208**	-
Exceptional costs	**-**	515
Administrative expenses	**2,960**	2,310
Total operating expenses	**5,393**	5,069

(1) Includeds associated social security costs of £90,000 (31 March 2014: £Nil).

5. Loss from operations

Loss from operations is stated after charging/(crediting):	Nine month period ended 31 December 2014 £000	Year ended 31 March 2014 £000
Depreciation of property, plant and equipment	**182**	224
Amortisation of intangible assets	**45**	38
Research and development costs	**237**	228
Foreign exchange losses	**2**	4
Profit on disposal of property, plant and equipment	**-**	(1)
Operating lease costs	**158**	200
Exceptional operating costs	**-**	515

There were no exceptional costs in the period. In the prior year to 31 March 2014 exceptional costs comprised professional costs of admission to AIM of £262,000 and restructuring costs of £253,000.

6. Auditors' remuneration

The total fees for services provided by the Company's auditor are analysed below:	Nine month period ended 31 December 2014 £000	Year ended 31 March 2014 £000
Audit services		
Parent company	**15**	15
Subsidiary	**21**	20
Tax services - compliance		
Subsidiary	**5**	5
Other services		
Review of interim statement	**3**	3
Other	**1**	117
Total fees	**45**	160

Notes to the consolidated financial statements

7. Wages and salaries

The average monthly number of persons, including Directors, employed by the Group was:

	Nine month period ended 31 December 2014 Number	Year ended 31 March 2014 Number
Sales and marketing	**22**	17
Manufacturing	**38**	32
Administration	**5**	5
Directors	**4**	3
	69	57

Their aggregate emoluments were:

	£000	£000
Wages and salaries	**1,667**	1,616
Directors' fees	**26**	22
Social security costs	**202**	171
Pension and other staff costs	**36**	41
Total cash settled emoluments	**1,931**	1,850
Share based payments - equity settled	**1,118**	-
Share based payments - social security costs	**90**	-
Total emoluments	**3,139**	1,850

8. Directors' remuneration

Amounts paid to the Directors of the parent company.	**Nine month period ended 31 December 2014 £000**	Year ended 31 March 2014 £000
Directors		
Aggregate emoluments and fees	**216**	136
Company pension contributions	**2**	6
Total cash settled emoluments	**218**	142
Share based payment remuneration charge: equity settled	**705**	-
Total Directors' emoluments	**923**	142

During the period, one Director participated in defined contribution pension schemes (year ended 31 March 2014: one).

No share options were exercised by and Director during the period.

Directors' emoluments include amounts attributable to benefits in kind comprising private medical insurance on which the Directors are assessed for tax purposes. The amounts attributable to benefits in kind are stated at cost to the Company, which is also the tax value of those benefits. Further details of Directors' emoluments are included in the Remuneration Report on pages 17 to 19.

The Directors represent the key management personnel. Details of their compensation are given above.

9. Taxation

	Nine month period ended 31 December 2014 £000	Year ended 31 March 2014 £000
Current tax income		
United Kingdom corporation tax	**-**	-
Adjustment in respect of prior period	-	-
Total current tax income	**-**	-
Deferred tax		
Effect of change in tax rates	**-**	(14)
Origination and reversal of temporary differences	**381**	232
Tax on loss for the period	**381**	218

The tax assessed for the year is different from the standard rate of corporation tax in the UK. The differences are explained below:

Loss before tax	**1,730**	1,177
Loss before tax multiplied by the standard rate of corporation tax in the UK of 20% (year ended 31 March 2014: 20%)	**346**	235
Effects of:		
Expenses not deductible for tax purposes	**(1)**	(46)
Additional deduction for R&D expenditure	**39**	43
Share scheme deduction	**(3)**	-
Effect of changes in tax rate	**-**	(14)
Total tax credit for the period	**381**	218

At 31 December 2014 UK tax losses of the Company available to be carried forward are estimated to be £2,895,000 (31 March 2014: £1,850,000).

Deferred tax balances are valued at the rate of 20% in these accounts to the extent that timing differences are expected to reverse after this later date.

10. Loss per share

Basic and diluted loss per share is calculated by dividing the loss attributable to owners of the parent by the weighted average number of ordinary shares in issue during the period.

As a result of the demerger in the comparative period, the Company became the new parent company of SiS (Science in Sport) Limited. Therefore the weighted average number of ordinary shares outstanding for the comparative period has been calculated using the number of ordinary shares issued by the Company to the shareholders of Provexis plc at the date of the demerger (9 August 2013) and adjusted for:

- movements in the number of ordinary shares of SiS (Science in Sport) Limited from 31 March 2013 to the date of demerger; and
- movements in the number of ordinary shares from the demerger date using the actual number of ordinary shares of the Company outstanding during that period.

	Nine month period ended 31 December 2014	Year ended 31 March 2014
Loss for the year attributable to owners of the parent - £000	**(1,349)**	(959)
Weighted average number of shares	**24,831,154**	17,941,824
Basic and diluted loss per share – pence	**(5.4p)**	(5.3p)

11. Intangible assets

	Software £000	**Website development costs £000**	**Total £000**
Cost			
At 1 April 2013	15	169	184
Additions	5	84	89
At 1 April 2014	20	253	273
Additions	21	71	92
At 31 December 2014	**41**	**324**	**365**
Amortisation			
At 1 April 2013	13	16	29
Charge for year	1	37	38
At 1 April 2014	14	53	67
Charge for year	2	43	45
At 31 December 2014	**16**	**96**	**112**
Net book value			
At 31 December 2014	**25**	**228**	**253**
At 31 March 2014	6	200	206

Notes to the consolidated financial statements

12. Property, plant and equipment

	Leasehold improvements £000	Plant and machinery £000	Fixtures, fittings and computer equipment £000	Motor vehicles £000	Total £000
Cost					
At 1 April 2013	231	680	272	44	1,227
Additions	74	74	187	-	335
Disposals	-	-	-	(23)	(23)
At 1 April 2014	305	754	459	21	1,539
Additions	42	76	57	-	175
At 31 December 2014	**347**	**830**	**516**	**21**	**1,714**
Depreciation					
At 1 April 2013	59	347	154	42	602
Charge for the year	55	86	81	2	224
Disposals	-	-	-	(23)	(23)
At 1 April 2014	114	433	235	21	803
Charge for the year	49	54	79	-	182
At 31 December 2014	**163**	**487**	**314**	**21**	**985**
Net book value					
At 31 December 2014	**184**	**343**	**202**	**-**	**729**
At 31 March 2014	191	321	224	-	736

The carrying amount of fixtures, fittings, plant and equipment includes an amount of £167,000 (31 March 2014: £201,000) in respect of assets provided as security under a loan agreement.

13. Inventories

	31 December 2014 £000	31 March 2014 £000
Raw materials	**798**	**638**
Finished goods	**637**	**386**
	1,435	**1,024**

There is a provision of £62,000 included within inventories in relation to the impairment of inventories (31 March 2014: £14,000).

During the period inventories of £2,009,000 (year ended 31 March 2014: £2,149,000) were recognised as an expense within cost of sales.

Notes to the consolidated financial statements

14. Trade and other receivables

	31 December 2014 £000	31 March 2014 £000
Trade receivables	**930**	1,103
Less: provision for impairment of trade receivables	**(37)**	(42)
Trade receivables – net	**893**	1,061
Other receivables	**41**	82
Total financial assets other than cash and cash equivalents classified as loans and receivables	**934**	1,143
Prepayments and accrued income	**108**	228
Total trade and other receivables	**1,042**	1,371

Trade receivables represent debts due for the sale of goods to customers. The provision for impairment of receivables is estimated by the Company's management based on prior experience.

Trade receivables are denominated in Sterling. The Directors consider that the carrying amount of these receivables approximates to their fair value. Trade and other receivables are categorised as loans and receivables under IAS 39. All amounts shown under receivables fall due for payment within one year. The Group does not hold any collateral as security.

As at 31 December 2014 trade receivables of £163,000 (31 March 2014: £113,000) were past due but not impaired. They relate to customers with no default history. The ageing analysis of these receivables is as follows:

	31 December 2014 £000	31 March 2014 £000
Less than 30 days overdue	**109**	**113**
Between 31 and 90 days overdue	**54**	**-**
	163	**113**

As at 31 December 2014 trade receivables of £37,000 (31 March 2014: £42,000) were past due and impaired. Movements on the Company provision for impairment of trade receivables are as follows

	31 December 2014 £000	31 March 2014 £000
At beginning of year	**42**	32
Provided during year	**-**	14
Unused amounts reversed	**(5)**	(4)
	37	42

The movement on the provision for impaired receivables has been included in administrative expenses in the consolidated statement of comprehensive income. Other classes of financial assets included within trade and other receivables do not contain impaired assets.

15. Cash and cash equivalents

	31 December 2014 £000	31 March 2014 £000
Cash at bank and in hand	**2,026**	631

Notes to the consolidated financial statements

16. Trade and other payables

	31 December 2014 £000	31 March 2014 £000
Trade payables	**541**	749
Accruals	**1,036**	869
Total financial liabilities measured at amortised cost	**1,577**	1,618
Other taxes and social security	**108**	65
Total trade and other payables	**1,685**	1,683

The Directors consider that the carrying amount of these liabilities approximates to their fair value.

All amounts shown fall due within one year.

17. Borrowings

	31 December 2014 £000	31 March 2014 £000
Secured borrowings at amortised cost		
Asset loan agreement at fixed rate	**114**	162
Amounts due for settlement within 12 months	**65**	65
Amounts due for settlement after 12 months	**49**	97
	114	162

The asset loan agreement was provided in September 2012 by HSBC Asset Finance (UK) Limited and is secured over plant and equipment. The asset loan is for a four year term, expiring in September 2016 at a fixed interest rate of 3.96%.

18. Deferred tax

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 20% (year ended 31 March 2014: 20%). Details of the deferred tax asset and liability, amounts recognised in profit or loss and amounts recognised in other comprehensive income are as follows:

	At 1 April 2013 £000	Credited/ (charged) to income statement in the period £000	At 31 March 2014 £000	Credited/ (charged) to income statement in the year £000	At 31 December 2014 £000
Capital allowances in excess of depreciation	(35)	(17)	(52)	(30)	**(82)**
Unutilised tax losses	132	238	370	209	**579**
Other short term timing differences	14	(3)	11	202	**213**
	111	218	329	381	**(710)**

A deferred tax asset of £710,000 (31 March 2014: £329,000) has been recognised in respect of tax losses and other temporary differences where the Directors believe it is probable that these assets will be recovered. The Directors have made this assessment based on the evidence available from projected forecasts of profitability.

Notes to the consolidated financial statements

19. Share capital

Allotted, called up and fully paid	Ordinary 10p shares number	Preference £1 shares number	Ordinary 10p shares £000	Preference £1 shares £000
At 31 March 2013	15,187,990	-	1,519	-
Issued on 17 May 2013 - £1 ordinary share	1	-	-	-
Subdivision to 10p ordinary shares on 20 June 2013	9	-	-	-
Issued on 20 June 2013	-	50,000	-	13
Redeemed and cancelled	-	(50,000)	-	(13)
Issued on placing on 9 August 2013	4,192,225	-	419	-
Issued on placing on 2 October 2013	134,250	-	14	-
At 31 March 2014	19,514,475	-	1,952	-
Issued on placing on 9 April 2014	5,111,116	-	511	-
Treasury placing on 11 August 2014	559,866	-	56	-
At 31 December 2014	**25,185,457**	**-**	**2,519**	**-**

The Company has one class of ordinary shares which carry no rights to fixed income.

On 9 April 2014 the Group raised £2.17 million net proceeds by the issue and allotment of 5,111,116 ordinary shares at a price of 45 pence per share. The placing was undertaken with new and existing institutional shareholders and was oversubscribed. The placing enables the Group to fund the working capital required for further revenue growth and also to invest internally in further new revenue generating opportunities.

On 11 August 2014 the Company issued 559,866 new ordinary shares of 10 pence each to the Employee Benefit Trust to satisfy share options granted in 2014.

Demerger in 2013
SiS (Science in Sport) Ltd was demerged from Provexis plc with effect from 9 August 2013 and transferred to a new parent company, Science in Sport plc. The Company was admitted to the AIM segment of the London Stock Exchange's market for listed securities as from 9 August 2013.

At the date of the demerger, the Company acquired the entire issued share capital of SiS (Science in Sport) Limited in return for issuing shares to the shareholders of Provexis plc.

The transfer of SiS (Science in Sport) Limited to the new holding company, Science in Sport plc, was not a business combination involving a third party and, as such, the financial statements of Science in Sport plc have been presented as a continuation of the SiS (Science in Sport) Limited and are therefore presented as if SiS (Science in Sport) Limited had been owned and controlled by the Company for the full prior financial year. To do so the principles of reverse acquisition accounting in IFRS 3 were applied.

Full details of the share re-organisation were provided in a circular to shareholders of Provexis Plc on 28 June 2013. The Admission Document is available to download from the Company's website www.scienceinsport.com.

The main principles used in the presentation of share capital and other reserves of the Company are as follows:

- The equity instruments of the Company were initially recognised at their fair value on the date of demerger.
- The movements in share capital prior to 9 August 2013 reflect the movements in the share capital of SiS (Science in Sport) Limited.

Notes to the consolidated financial statements

20. Share options

In June 2014 the Company adopted a new Share Option Plan ("SOP"). The key terms of the SOP are substantially the same as set out in the AIM Admission Document which is available on the Group's website. Under the SOP, options to purchase ordinary shares may be granted by the Remuneration Committee to Directors, senior executives and potentially other employees at nil cost. To enable the Company to grant nil-cost options it has established an Employee Benefit Trust to purchase, hold and transfer the ordinary shares pursuant to the options.

The SOP is managed by the Remuneration Committee on behalf of the Company. The Company will grant each participant an option subject to the terms and conditions of each participant's individual option agreement (including performance conditions) and the SOP rules. Each participant may be granted either annual or long term (three or five year vesting period) options or both.

In the event that the option holder's employment is terminated before vesting, the option may not be exercised unless the Remuneration Committee so permits. Options expire 10 years from date of vesting.

Further information regarding the SOP scheme may be found in the Remuneration Report.

The total charge for the year relating to employee share-based payment plans was £1,118,000 all of which related to equity settled share-based payment transactions. Total social security costs of £90,000 have also been recognised and included in the share based payment charge of £1,208,000 disclosed on the face of the consolidated statement of comprehensive income. The share based payment charge is comprised of two components:

(i) Options granted during the period

During the period ended 31 December 2014 options were granted under the short term incentive plan with regard to performance in the year ended 31 March 2014. All options have a nil exercise price and no market based performance conditions, therefore the fair value has been calculated using the market value of the shares at the date of grant. As the expected dividend yield for the life of the option is assumed to be nil no adjustment is required for non-entitlement to dividends.

Date of grant	**Exercise price pence**	**Share options number**	**Share price at date of grant pence**
23 June 2014	0p	231,740	62.5p
22 July 2014	0p	328,125	72.0p

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	31 December 2014		
	Weighted average exercise price pence	Weighted average share price at date of exercise pence	Share options Number
Options at the beginning of the period	-	-	-
Granted during period	0p	-	559,865
Exercised	0p	65p	(231,740)
Lapsed during period	0p	-	-
Outstanding at period end	0p		328,125

20. Share options (continued)

All 328,125 share options outstanding at the end of the period have vested and were exercisable. The exercise price of all options outstanding at the end of the year was nil.

The share based payment charge recognised during the period in respect of the options granted above was £381,000. Associated social security costs of £53,000 were charged.

(ii) Options approved but not granted during the period

In addition to the options granted during the year, further options were approved, but not formally granted, during the period. These include short term options covering performance in the nine months to 31 December 2014 and long term options covering the three years to 31 March 2016 and five years to 31 March 2018. As employees have provided services in advance of the grant of these options, in accordance with IFRS 2 a charge has been recognised using an estimated fair value based on the period end share price.

The total charge during the period in respect of these approved but not yet granted options was £737,000. Associated social security costs of £37,000 were charged.

21. Reserves

Share premium account represents the amount subscribed for share capital in excess of nominal value less costs directly attributable to the issue of shares.

The Employee Benefit Trust reserve represents shares in the company held by the Employee Benefit Trust which will be used to settle options held by employees under the SOP.

The other reserve arose as a result of applying the principles of reverse acquisition accounting following the demerger of SiS (Science in Sport) Limited from Provexis plc and represents the difference between the capital reserves of Science in Sport plc (the legal acquirer) and those of SiS (Science in Sport) Limited (the legal acquiree).

Retained deficit are cumulative net gains and losses recognised in the consolidated statement of comprehensive income.

22. Pension costs

The pension charge represents contributions payable by the Group to independently administered funds which during the period ended 31 December 2014 amounted to £36,000 (year ended 31 March 2014: £41,000). Pension contributions payable but not yet paid at 31 December 2014 totalled £13,000 (31 March 2014: £12,000), in respect of pension contribution entitlements where employees had not yet provided details of the funds to which the contributions should be made.

23. Operating lease commitments

Future minimum rentals payable under non-cancellable operating leases are as follows:

	31 December 2014 £000	31 March 2014 £000
Due within 1 year	**240**	207
Due between 1 year and 2 years	**156**	213
Due between 2 years and 5 years	**150**	249
	546	669

Operating lease payments primarily represent rentals payable by the Group for properties. The leases have various terms, escalation clauses and renewal rights typical of lease agreements for the class of asset.

24. Related party transactions

IAS 24 'Related Party Transactions' requires the disclosure of the details of material transactions between reporting entities and related parties. The Group has taken advantage of the exemption under IAS 24 not to disclose transactions between companies which are eliminated on consolidation.

All transactions with directors are disclosed in the Directors' Remuneration Report.

Transactions with Provexis plc prior to demerger
All transactions between the Company and its subsidiary with the Provexis plc group of companies prior to the demerger have been considered related party transactions on the basis of common control.

Following the acquisition of SiS (Science in Sport) Limited by Provexis plc on 24 June 2011 that company had provided working capital and funds to support the company's capital expenditure program as part of the factory move in 2012 for SiS (Science in Sport) Limited by way of intra group loans.

Prior to the demerger, Provexis plc converted £448,163 of an intercompany debt into equity by way of a capital contribution. At the time of the demerger, a payment of £250,000 was made to Provexis plc to settle the remaining outstanding intercompany debt.

Parent company balance sheet

Company number 08535116	Notes	**As at 31 December 2014 £000**	As at 31 March 2014 £000
Fixed assets			
Investments	3	1,519	1,519
Current assets			
Debtors - due within one year	4	4,235	2,060
Net current assets		4,235	2,060
Total assets		5,754	3,579
Creditors: amounts falling due after more than one year		-	-
Net assets		5,754	3,579
Capital and reserves			
Share capital	5	2,519	1,952
Share premium reserve	6	3,519	1,855
Employee benefit trust reserve	6	(33)	-
Retained earnings	6	(251)	(228)
Equity shareholders' funds	7	5,754	3,579

These financial statements were approved and authorised for issue by the Board on 26 March 2015 and signed on its behalf by:

Stephen Moon
Director

The notes on pages 45 to 47 form part of these parent company financial statements.

Notes to the parent company financial statements

1. Accounting policies

The parent company financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards.

Going concern
The going concern basis has been applied in preparing the parent company financial statements for the reasons identified and disclosed in note 1 to the consolidated financial statements.

Taxation
Current tax, including UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences and to the extent that differences are considered to be permanent. Deferred tax balances are not discounted.

Share-based employee remuneration
The Company has no employees however the Company will issue shares to satisfy share awards made by its subsidiary company. The Company recharges an amount equivalent to the fair value of the share-based payment incurred to its subsidiary.

Valuation of investments
The investment in SiS (Science in Sport) Limited is recorded at the nominal value of shares issued for the purposes of the demerger in accordance with s615 of the Companies Act 2006. Accordingly, no premium on the issue of shares has been recognised.

2. Profit attributable to shareholders

As permitted by Section 408 of the Companies Act 2006 no separate parent company profit and loss account has been included in these financial statements. The parent company loss for the period was £Nil (year ended 31 March 2014: £228,000).

All salary costs of employees of the Company are borne by SiS (Science in Sport) Limited, and are disclosed in note 7 of the consolidated financial statements.

3. Investments

	£000
Net book value at 31 December/ 31 March 2014	**1,519**

At 31 December 2014 the Company owned the following material subsidiary undertaking:

	Share of issued ordinary share capital, and voting rights	**Country of incorporation and operation**	**Business activity**
SiS (Science in Sport) Limited	100%	England and Wales	Sports nutrition

There are no significant restrictions on the ability of the subsidiary undertaking to transfer funds to the parent, other than those imposed by the Companies Act 2006.

4. Debtors

	31 December 2014 £000	31 March 2014 £000
Debtors falling due within one year		
Amounts owed by subsidiary company	4,235	2,060

Notes to the parent company financial statements

5. Share capital

Allotted, called up and fully paid	Ordinary 10p shares number	Ordinary 10p shares £000
At 31 March 2014	19,514,475	1,952
Issued on placing on 9 April 2014	5,111,116	511
Treasury share placing on 11 August 2014	559,866	56
At 31 December 2014	**25,185,457**	**2,519**

Details on the share option scheme and share based payment charge for the year are given in note 20 to the consolidated financial statements.

6. Reserves

	Share premium reserve £000	Employee benefit trust reserve £000	Retained deficit £000
At 1 April 2014	1,855	-	(228)
Premium on placing of shares for 9 April 2014	1,789	-	-
Transactions costs of new placings	(125)	-	-
Issue of shares to the EBT	-	(56)	-
Exercise of share options by employees	-	23	(23)
At 31 December 2014	**3,519**	**(33)**	**(251)**

7. Reconciliation of movement in shareholders' funds

	31 December 2014 £000	31 March 2014 £000
Loss for the period	-	(228)
Shares issued on demerger	-	1,519
Shares issued on 9 August 2013 placing	-	2,188
Further shares issued in period including share premium	-	100
Shares issued on 9 April 2014 placing	2,175	-
Shares issued on 11 August 2014 placing	57	-
Employee benefit trust reserve	(57)	-
Increase in shareholders' funds in period	2,175	3,579
Opening shareholders' funds	3,579	-
Closing shareholders' funds	5,754	3,579

8. Related party transactions

The Company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "related party disclosures" not to disclose transactions with 100% owned members of the Group headed Science in Sport plc on the grounds that 100% of the voting rights of the Company are controlled within that Group.

Science in Sport plc wholly owns SiS (Science in Sport) Limited.

Company information

Company number	08535116
Directors	J M Clarke C D Buck S N Moon V J Sparks
Audit committee	C D Buck (Chairman) J M Clarke
Remuneration committee	C D Buck J M Clarke (Chairman)
Registrars	Equiniti Limited Aspect House Spencer Road Lancing West Sussex BN99 6DA
Secretary and registered office	V J Sparks 4th Floor 16 - 18 Hatton Gardens Farringdon London EC1N 8AT
Nominated adviser and broker	Cenkos Securities plc 6.7.8 Tokenhouse Yard London EC2R 7AS
Principal solicitors	Shoosmiths Apex Plaza Forbury Road Reading Berkshire RG1 1SH
Auditors	Chantrey Vellacott DFK LLP Prospect House Queens Road Reading Berkshire RG1 4RP

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