SCIENCE IN SPORT PLC

ANNUAL REPORT & ACCOUNTS 2015

SIS
SCIENCE IN SPORT

FUELLED BY SCIENCE

Science in Sport plc

Annual report and accounts
Year ended 31 December 2015

Company number 08535116

Contents

Highlights

The comparative figures in these financial statements are for a nine-month period owing to a change of year end in 2014, for operational reasons, from 31 March to 31 December. As in the prior year the directors have also set out unaudited pro forma results for the 12 months ended 31 December 2014 in the Strategic Report for comparative purposes in the front end of this Annual Report as they believe that this will provide the reader with more relevant information with which to assess the performance of the business.

Highlights in the twelve month period *

- Revenues increased by 18% to £9.45 million (12 months to 31 December 2014: £8.03 million), with particularly strong growth in online channels and international markets;
- Underlying operating loss** of £0.25 million (12 months to December 2014: £0.19 million) in line with management expectations and reflecting investment in brand awareness, e-commerce and development of Australian and US market entry strategies;
- New product development continued to be a key growth driver, delivering 46% of the growth in the year (12 months to December 2014: 29%);
- Robust supply chain performance, with factory efficiencies increased 7% and improved customer service levels;
- Cash and cash equivalents of £8.75 million at 31 December 2015 (31 December 2014: £2.03 million) following oversubscribed share placing raising £8.20 million net of costs in November 2015; and
- Strong start to 2016 with innovation playing a key role in further future growth.

* Highlights are given for the year ended 31 December 2015 and the pro forma 12 months to 31 December 2014 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

Overview and Strategy

We are delighted to announce the results of Science in Sport for the year ended 31 December 2015. Revenue of £9.45m for the year was 18% ahead of the same period in 2014 and saw the Company deliver a third consecutive year of strong revenue growth. This is well ahead of the 8% growth forecast by Euromonitor for 2015 for the sports nutrition sector in the UK.

The statutory comparative results are for a nine-month period owing to a change of year end in 2014 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, and in order to allow the reader to make a meaningful comparison with the prior period, this review primarily uses, as comparator, the unaudited pro forma results for the 12 months ended 31 December 2014. This Chairman's and CEO's joint review compares the results of the year ended 31 December 2015 with the pro forma year 2014 unless otherwise stated. These pro forma results are prepared on the same basis as the statutory accounts, but have not been audited. The statutory comparative results for the nine month period are set out in the consolidated statement of comprehensive income.

The Company's strategy is to invest consistently in awareness of the SiS brand and to broaden distribution across all retail and online channels, both domestically and internationally. We seek to maintain and improve gross margin, as well as looking to limit overhead growth to single per cent points, in order to underpin investment in the brand and to benefit from operational gearing.

The Board believes that there are significant growth opportunities for the Company over the next few years and in order to maximize these opportunities the Company raised £8.7 million before costs in November 2015 to fund growth in existing and new markets, including Australia and the US. The funds raised will also support investment in supply chain and developing our e-commerce business. As well as the heavily oversubscribed placing being supported by existing shareholders, we were pleased to welcome a range of new institutional investors to SiS. If appropriate, we will consider potential acquisitions to complement our existing product range and to deliver synergies from our manufacturing, marketing and distribution capabilities.

Brand and Range

Our brand strategy has been developed to exploit the highly differentiated characteristics of SiS, which is widely used by professional and elite athletes. SiS is a leader in innovation and science, supported by in-house scientific and nutritional expertise, and a range of collaborations with academic institutes, as well as elite athletes and teams. Further differentiation is derived from the Company's low cost factory in Lancashire having the only Evolved Certification from Informed Sport, the most rigorous banned substance testing programme for nutritional products used by athletes.

SiS is a trusted brand which is used widely by enthusiasts and elite athletes in a growing range of endurance sports. These customers include cyclists, triathletes, rowers, tennis players and runners. More recently the brand has started to extend into new sports including professional football at the highest level, international rugby and the rapidly growing sport of obstacle course racing.

SiS products are endorsed by the Company's Elite Sports Consultants, including the cyclists Sir Chris Hoy MBE and Mark Cavendish MBE and heptathlete Katarina Johnson-Thompson, 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 professional cycling teams Team Sky and Team Wiggins, as well as 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.

Chairman's and Chief Executive's joint review

Brand and Range (continued)

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

Overview of the financial year

The 12 months to 31 December 2015 was a period of strong revenue growth, with sales up 18% at £9.45 million (2014: £8.03 million). International and e-commerce sales, both from our own website and third-party online retailers were particularly strong, reflecting the continued investment in brand awareness and e-commerce technology and management. We believe that in our marketplace of endurance nutrition we delivered sector leading revenue growth, the sources being both organic category growth and by taking market share from key competitors.

The underlying operating loss was in line with management expectations at £0.25 million (2014: £0.19 million loss) and this reflected continued investment in marketing, sales and e-commerce of £3.68 million (2014: £3.08 million).

Overheads excluding sales and marketing were £2.08 million (2014: £1.88 million) for the year, this included market assessment and strategy development costs for the US market. Management continue to seek to limit underlying overheads to single digit per cent increases in the future.

Depreciation and amortisation costs of £0.36 million (2014: £0.31 million), non-cash share-based payments related to short and long-term management incentive schemes of £1.00 million (2014: £1.21 million) and exceptional costs of £0.12 million (2014: £0.12 million), relating to the termination of the SiS APAC distributorship, resulted in a pre-tax loss of £1.74 million (2014: pre-tax loss £1.83 million).

Net cash and cash equivalents at the year-end were £8.75 million (31 December 2014: £2.03 million). The increase in cash reflects an oversubscribed placing announced on 23 October 2015 in which net proceeds of £8.2 million were raised through the issue of 14,676,262 ordinary shares.

Non-cash share-based payments amounting to £1.00 million (2014: £1.21 million), which have been excluded from underlying operating loss, continue to reflect grant of shares to employees under the Company LTIP and the decision of management to make awards under the STIP in shares as opposed to cash.

The statutory audited comparative 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.

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 focus during 2015 and it delivered very strong growth, as we invested in driving more traffic to the site, together with a new trading strategy to drive stronger conversion. A completely new platform is to be introduced in early 2016 to further enhance trading effectiveness, and to allow for commerce in a range of territories and currencies. Third-party online retailers, led by Wiggle, Chain Reaction and Amazon delivered outstanding growth, as we continued to invest in this channel.

Chairman's and Chief Executive's joint review

Sales Channels (continued)

We worked very closely with the leading five major grocery chains during the year. Growth met our expectations for the year, and in addition we jointly developed strong plans for 2016, with major new distribution gains across the grocery channel. High Street delivered growth for SiS, with Halfords and Decathlon being leading customers. The Heartland of independent cycle and running shops had a challenging year, given the continued growth of High Street and online sales. We will continue to invest in this important and opinion leading channel in 2016 and beyond.

International sales grew very strongly and some 17% of total revenues came from existing and new overseas markets. Our strategic relationship with Shimano in eight European countries continues to be very effective and we doubled the number of outlets stocking SiS. New distributors in Spain and Italy also performed well. In December we terminated our distributorship with SiS Asia Pacific and set up a wholly owned subsidiary in Sydney to develop this strategically important region directly from 2016 onwards.

Product Innovation

Trust, quality and innovation are the key characteristics for which SiS is recognised and we continue to invest in this strategically important area. Once again, innovation has been a key driver of growth, with 7% of sales and 46% of total revenue growth coming from new products, continuing the trend of the previous three years.

During 2015 we launched our new SiS Whey Protein and Overnight Protein range and added an Advanced Isolate whey protein range during the year. We also added two new SiS Electrolyte GO Gels to supplement our market leading GO gel range.

We developed our novel WHEY20 ready to consume protein product during the year and this launched in Q1 2016. This will be the largest launch in the history of SiS in terms of distribution gained for launch and investment in marketing and selling the new product. WHEY20 is the subject of new patent applications by SiS. In addition to WHEY20, the pipeline of new products for the second half of 2016 is strong.

Supply chain

Gross margin at our Lancashire manufacturing facility was 58.4%, with the 1% reduction from the previous year reflecting the successful launch of variety pack formats to drive new customer trial. Factory efficiencies improved by 7% during the year, and customer service levels also improved. The low cost base of the Nelson site, together with the controls afforded in the banned substance testing programme continue to provide a strategic advantage for the Company.

People

The Board was pleased to announce the appointment of Raymond Duignan as a Non-executive Director on 18 June 2015, effective from 1 July 2015. He has extensive industry experience having set up the specialist investment bank Stamford Partners in the mid-1990s, advising the European food and drink industries.

The Company announced on 27 August 2015 that Vivienne Sparks stepped down from her position as Finance Director, effective from 23 September 2015. An Interim Finance Director is in place whilst the Company is in the process of selecting and appointing a permanent Finance Director.

We continued to strengthen the commercial team during 2015, with e-commerce seeing a number of new appointments. Early in 2016 we strengthened the marketing team and added new management to support international sales. An unprecedented amount of training took place at the Nelson factory and in addition a number of key management appointments were made in the supply chain function.

The Board wishes to thank all the team in London and Nelson for their professionalism, enthusiasm and dedication in delivering another sector leading performance for the Company.

Chairman's and Chief Executive's joint review

Outlook

We are seeking to achieve further strong revenue growth in 2016 and the year has started strongly for us. Increased distribution in major grocers will support growth and we expect a further strong performance from third-party online retail. A completely new web platform has launched in Q1 and this will drive growth both in the UK and internationally. Our team is in place in Australia and we will look to establish both retail distribution, as well as an online presence.

Focus will be given to further efficiency improvements in the factory, and we will invest in systems to support growth, particularly in the e-commerce area. Detailed attention to control of overheads will continue.

Innovation will continue to play a key role, through the launch of our innovative WHEY20 product in the first quarter of 2016, and a strong pipeline which will come to market in the second half of the year.

Our strategy of investing in brand awareness and developing distribution in all channels will continue to be implemented, both in the UK and internationally, as we seek to take share from the competition and enjoy organic category growth.

John Clarke
Non-Executive Chairman

Stephen Moon
Chief Executive

22 March 2016

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 23 to 26 and the Notes to the Group financial statements set out on pages 27 to 43.

The Annual Report and Accounts ("Annual Report") for the Company and the Group are presented under International Financial Reporting Standards ("IFRSs") as adopted by the European Union. The financial statements of the parent company are set out on pages 44 to 48.

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 2014 continued to be very dynamic growing by 16% in current value terms and reaching value sales of £356 million. UK Sports Nutrition is expected to continue to grow with a compound annual growth rate of 8% in constant value terms in the period 2014-2019 reaching value sales of £527 million. Protein powder remains the largest Category in UK Sports Nutrition with value sales of £138 million. Protein bars and protein ready-to-drink products continue to display the fastest growth rates as consumers continue to switch to convenient on-the-go single serve nutrition products.

Moving into the Australian market, with the formation of a wholly owned subsidiary, is a strategic move to access the sports nutrition market in that geographical location. According to Euromonitor (June 2015) sports nutrition in Australia increased by 12% in current terms in 2014 to reach values sales of AUD 805 million (£413 million). It remains the second biggest market for sports nutrition globally. Australian Sport Nutrition is expected to continue to grow with a compound annual growth rate of 6% in constant value terms in the period 2014-2019 reaching value sales of AUD 1,071 million (£550 million). Protein powder remains the largest Category in Australian Sports Nutrition with value sales of AUD 389 million (£200 million) in 2014. Protein bars experienced the strongest value growth of 14% in 2014.

Other markets to be penetrated include the USA where, according to Euromonitor (May 2014), Sports Nutrition in the US increased by 14% in 2013 to reach US$5.4 billion (£3.8 billion). It remains the biggest market globally for sports nutrition.

US Sport Nutrition is expected to continue to grow with a compound annual growth rate of 10% in constant value terms in the period 2013-2018 reaching value sales of $8,557 million (£5,984 million). Protein powder remains the largest Category in US Sports Nutrition with value sales of $3,702 million (£2,589 million) in 2013. Protein ready-to-drink experienced the strongest value growth both in 2013 (16.5%) and in the period 2008-2013 (19.3%). Values sales in 2013 were $583 million (£407 million).

Statutory audited results for the year ended 31 December 2015
In the year under review revenue was £9.45 million, gross margin achieved was 58.4% and there was an underlying operating loss of £0.25 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. Due to the change of year end during 2014 the audited comparative results included in the consolidated statement of comprehensive income are for the nine months to 31 December 2014.

At the reporting date the Company held inventory of £1.47 million (31 December 2014: £1.44 million). Trade and other receivables were £1.25 million (31 December 2014: £1.04 million) and equates to 50 debtor days (2014: 55 days). Cash balance as at 31 December 2015 of £8.75 million (31 December 2014: £2.03 million), the increase primarily relates to the cash received from the placing and open offer in November 2015, 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 year ended 31 December 2015 and the nine month period to December 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 2015 and 2014 in order to illustrate the underlying year on year business performance. The pro forma results for the year ended 31 December 2014 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

	Audited 2015 £000	Unaudited 2014 £000
Revenue	**9,446**	8,032
Cost of goods	**(3,927)**	(3,265)
Gross profit	**5,519**	4,767
Underlying operating loss	**(251)**	(192)
Depreciation and amortisation	**(362)**	(307)
Share based payment charges	**(995)**	(1,208)
Exceptional costs	**(125)**	(120)
Loss from operations	**(1,733)**	(1,827)
Finance income	**2**	4
Finance costs	**(5)**	(5)
Loss before taxation	**(1,736)**	(1,828)
Taxation	**227**	539
Loss and total comprehensive expense for the year	**(1,509)**	(1,289)
Attributable to:		
Owners of the parent	**(1,509)**	(1,289)
Loss and total comprehensive expense for the year	**(1,509)**	(1,289)
Loss per share to owners of the parent		
Basic and diluted – pence	**(5.5p)**	(5.5p)

Strategic report

Revenue
The Company has continued to grow strongly during the year ended 31 December 2015, with sales up 18% at £9.45 million (2014: £8.03 million). Revenue growth has been achieved through a particularly strong performance across the e-commerce, third-party online retailers and international channels and reflects the continued investment in the business across all channels. The investment in, and focus on, online sales means more than one third of the business revenues are derived from e-commerce sales across our own platform and third party.

In 2015, the Company also continued to invest in product innovation and launched a number of new products including the SiS Whey Protein product range and two new SiS Electrolyte GO Gels.

We developed our novel WHEY20 ready to consume protein product during the year and this launched in Q1 2016. This will be the largest launch in the history of SiS in terms of distribution gained for launch and investment in marketing and selling the new product. WHEY20 is the subject of new patent applications by SiS.

All new innovation products are supported by a significant advertising and promotion programme.

Gross margin
The Company generated a gross margin of £5.52 million (2014: £4.77 million) with the gross margin achieving a percentage of revenue of 58.4% (2014: 59.4%). Although year on year reducing by one percentage point, this reflected the successful launch of variety pack formats to drive customer trial with factory efficiencies improving by 7%.

Underlying operating loss
The underlying operating loss of £0.25 million (2014: £0.19 million) reflects the ongoing investment in sales and marketing to drive revenue growth. 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"). 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 charge totalling £1.00 million in the year ended 31 December 2015 (2014: £1.21 million).

Exceptional costs
Exceptional costs of £0.12 million reflect the costs incurred in terminating the distributorship of SiS APAC which the Company will now be handling directly via a newly formed 100% owned Australian subsidiary (2014: £0.12 million in relation to the demerger from Provexis).

Taxation
The current tax charge is £Nil (2014: £Nil) due to the loss made in the year. The deferred tax credit of £0.23 million (2014: £0.54 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 2015 was £1.51 million (2014: £1.29 million) and the basic and diluted loss per share was 5.5p (2014: 5.5p). The Directors are unable to recommend the payment of a dividend (2014: £Nil).

Strategic report

Capital structure and funding
On 11 November 2015 the Company raised net proceeds of £8.2 million by the issue and allotment of 14,676,262 Ordinary Shares at a placing price of 59 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 expand into the Australian and US markets.

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 £1.51 million (2014: £1.29 million) and expects to make a further loss in the year ending 31 December 2016.

The total cash outflow from operating activities in the year ended 31 December 2015 was £0.86 million (nine month period ended 31 December 2014: £0.46 million). At 31 December 2015 the Company had cash balances of £8.75 million (2014: £2.03 million). As noted above, the Company raised additional equity of £8.2 million (net of associated costs) on 11 November 2015.

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 declined by one percentage point to 58.4% (2014: 59.4%). This reflected the successful launch of variety pack formats to drive customer trial with factory efficiencies improving by 7%.

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

	Audited Year ended 31 December 2015 £000	Unaudited Year ended 31 December 2014 £000
Underlying operating loss	**(251)**	(192)

The trading results are further detailed on pages 6 to 9.

The table below shows the Company's cash position at 31 December 2015 and 31 December 2014:

	31 December 2015 £000	31 December 2014 £000
Cash and cash equivalents	**8,753**	2,026

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 £6.73 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 25, 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. During 2014 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.

Strategic report

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 a single customer contributed to more than 10% of the revenue (in the prior year two customers). The risks associated with the reliance on one main customer 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 13.2% 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.

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 all of whom were male.

Senior managers
At the end of the financial year the Group had eight senior managers of whom seven were male and one female.

All employees
At the end of the financial year the Group employed 63 people of whom 44 were male and 19 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.

Strategic report

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.

Stephen Moon
Director
22 March 2016

Directors' report

The Directors present their report together with the consolidated financial statements for the year ended 31 December 2015.

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.

As at the date of signing this report, Science in Sport plc has three wholly owned subsidiaries, SiS (Science in Sport) Limited, SiS APAC Pty Limited and Science in Sport Inc, which are registered in England and Wales, Australia and the United States of America respectively.

Future developments
The Joint review from the Chairman and Chief Executive on pages 2 to 5 and the Strategic report on pages 6 to 12 cover the Company's performance during the year ended 31 December 2015, 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	(resigned 23 September 2015)
Non-executive Directors	
J M Clarke	
C D Buck	
R Duignan	(appointed 1 July 2015)

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 18 to 20.

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

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 12.

Directors' report

Substantial shareholdings
As at 31 December 2015, the following shareholders own more than 3% of issued share capital of the Company:

	% at 31 December 2015	Number of shares
Downing LLP	17.04%	6,856,800
Hargreave Hale	8.55%	3,441,432
Amati Global Investors	7.45%	2,998,778
DSM Venturing BV	3.57%	1,437,693
Miton UK Microcap Trust PLC	3.24%	1,305,051
Enterprise Ventures	3.11%	1,251,195

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.

Chantrey Vellacott DFK LLP merged its practice with Moore Stephens LLP with effect from 1 May 2015 and now practices under the name of Moore Stephens LLP. Moore Stephens 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, Strategic report, Directors' remuneration 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. They have also elected to prepare the Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 IFRSs as adopted by the European Union, 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.
Website publication

Directors' report

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

Stephen Moon
Director
22 March 2016

Corporate Governance

Board of Directors
The Board comprises a Non-executive Chairman, two additional Non-executive Directors, all of whom are independent, and one Executive Director. 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 UK Corporate Governance 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 Raymond Duignan. 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 have, in the past, provided taxation compliance, corporate finance services and share option scheme advice. The fees in respect of the non-audit services provided are £9,750 for the year (2014: £9,000) relating fully to EIS advanced assurance advice. The Audit Committee have considered the non-audit fees agreed with Moore Stephens LLP 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.

Nominations Committee
The Nominations Committee consists of the Chairman and the Non-executive Directors. 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.

Corporate Governance

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 12 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 at least 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.
   At the end of December 2015 the revenue incentive target has been met by exceeding 20% CAGR across the 33 month period ending 31 December 2015. The maximum award under the LTIP revenue incentive element, as set out in the AIM Admission document in August 2013, which comprises options over 2,130,113 shares being awarded to Directors and senior employees, has been approved between the reporting date and the date of signing of this report.

Remuneration report

Long term incentive plan (LTIP) *(continued)*

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. This element of the LTIP is being reviewed to align to the new long term objectives of the business.

During the year under review the Remuneration Committee made awards under the STIP as follows:

- In respect of the year ended 31 December 2014, 115,881 nil cost options were granted to senior employees on 26 March 2015 (2014: 231,740) and 267,206 nil cost options were granted to SN Moon on 26 March 2015 (2014: 328,125). 16,850 nil cost options lapsed during the period.

The following awards have been approved by the Remuneration Committee but had not yet been formally granted at the date of signing these accounts:

- In respect of the STIP for the year ended 31 December 2015, 635,703 nil cost options are expected to be granted to senior employees including Executive Directors.
- In respect of the LTIP Revenue incentive, 2,130,113 nil cost options are expected to be granted to senior employees including Executive and Non-Executive Directors. This excludes the LTIP relating to the profit incentive which is being revised to align to the new long term objectives of the business.

These awards have been used to derive the share based payments charge for the year.

(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. 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, Raymond Duignan 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:

	Year ended 31 December 2015				Period ended 31 December 2014
	Salary/ fees £000	**Benefits in kind £000**	**Pension £000**	**Total £000**	Total £000
Executive Directors					
S N Moon	**194**	**2**	**-**	**196**	144
V J Sparks (resigned 23 September 2015)	**76**	**-**	**32**	**108**	48
Non-executive Directors					
C D Buck	**-**	**-**	**-**	**-**	-
J M Clarke	**36**	**-**	**-**	**36**	26
R Duignan (appointed 1 July 2015)	**18**			**18**	-
	324	**2**	**32**	**358**	218

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

Remuneration report

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 2015**	Ordinary shares of 10 pence each 31 December 2014
S N Moon	**675,330**	421,330
V J Sparks (resigned 23 September 2015)	**-**	19,477
C D Buck	**593,577**	418,677
J M Clarke	**178,500**	178,500
R Duignan (appointed 1 July 2015)	**-**	-
	1,447,407	1,037,984

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 2015	31 December 2014
S N Moon	**595,331**	328,125

Details of share options at 31 December 2015 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 2024
S N Moon	26 March 2015	0p	68.0p	267,206	26 March 2015	25 March 2025

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 2015 or 31 December 2014.

John Clarke
Chairman of the Remuneration Committee
22 March 2016

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 2015 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 Statement of Financial Position, the parent company Statement of Cash Flows, the parent company Statement of Changes in Equity and related notes. The financial reporting framework that has been applied in the preparation of the group financial statements and parent financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006..

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 2015 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 IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; 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 Strategic report and Directors' 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 Moore Stephens LLP,
Chartered accountant and statutory auditor
Reading

22 March 2016

Consolidated statement of comprehensive income

	Notes	**Year ended 31 December 2015 £000**	Nine month Period ended 31 December 2014 £000
Revenue	3	**9,446**	6,252
Cost of goods		**(3,927)**	(2,589)
Gross profit		**5,519**	3,663
Underlying operating loss		**(251)**	(295)
Depreciation and amortisation		**(362)**	(227)
Share based payments charge		**(995)**	(1,208)
Exceptional costs	5	**(125)**	-
Loss from operations	4,5	**(1,733)**	(1,730)
Finance income		**2**	4
Finance costs		**(5)**	(4)
Loss before taxation		**(1,736)**	(1,730)
Taxation	9	**227**	381
Loss and total comprehensive expense for the period		**(1,509)**	(1,349)
Attributable to:			
Owners of the parent		**(1,509)**	(1,349)
Loss and total comprehensive expense for the period		**(1,509)**	(1,349)
Loss per share to owners of the parent			
Basic and diluted - pence	10	**(5.5p)**	(5.4p)

All amounts relate to continuing operations.

The notes on pages 27 to 43 form part of these consolidated financial statements.

Consolidated statement of financial position

Company number 08535116	Notes	**As at 31 December 2015 £000**	As at 31 December 2014 £000
Assets			
Non-current assets			
Intangible assets	11	**486**	253
Property, plant and equipment	12	**657**	729
Deferred tax	18	**937**	710
Total non-current assets		**2,080**	1,692
Current assets			
Inventories	13	**1,471**	1,435
Trade and other receivables	14	**1,249**	1,042
Cash and cash equivalents	15	**8,753**	2,026
Total current assets		**11,473**	4,503
Total assets		**13,553**	6,195
Liabilities			
Current liabilities			
Trade and other payables	16	**(1,488)**	(1,685)
Borrowings	17	**(49)**	(65)
Total current liabilities		**(1,537)**	(1,750)
Net current assets/(liabilities)		**9,936**	2,753
Non-current liabilities			
Borrowings	17	**-**	(49)
Total non-current liabilities		**-**	(49)
Total liabilities		**(1,537)**	(1,799)
Total net assets		**12,016**	4,396
Capital and reserves attributable to owners of the parent company			
Share capital	19	**4,025**	2,519
Share premium reserve	21	**10,228**	3,519
Employee benefit trust reserve	21	**(61)**	(33)
Other reserve	21	**(907)**	(907)
Retained deficit	21	**(1,269)**	(702)
Total equity		**12,016**	4,396

These consolidated financial statements were approved and authorised for issue by the Board on 22 March 2016 and signed on its behalf by:

Stephen Moon
Director

The notes on pages 27 to 43 form part of these consolidated financial statements.

Consolidated statement of cash flows

	Notes	**Year ended 31 December 2015 £000**	Nine month period ended 31 December 2014 £000
Cash flows from operating activities			
Loss after tax		**(1,509)**	(1,349)
Adjustments for:			
Amortisation	11	**87**	45
Depreciation	12	**277**	182
Profit on sale of fixed assets	5	**(2)**	-
Net finance cost		**3**	-
Taxation	9	**(227)**	(381)
Share based payment charge		**995**	1,208
Operating cash outflow before changes in working capital		**(376)**	(295)
Changes in inventories		**(36)**	(411)
Changes in trade and other receivables		**(207)**	329
Changes in trade and other payables		**(240)**	(87)
Total cash outflow from operations		**(859)**	(464)
Cash flow from investing activities			
Purchase of property, plant and equipment	12	**(205)**	(175)
Proceeds from sale of property, plant and equipment		**2**	-
Purchase of intangible assets	11	**(320)**	(92)
Interest received		**2**	3
Net cash outflow from investing activities		**(521)**	(264)
Cash flow from financing activities			
Proceeds from issue of share capital		**8,659**	2,300
Expenses paid on share issues		**(482)**	(125)
Repayment of borrowings		**(65)**	(49)
Interest paid		**(5)**	(3)
Net cash inflow from financing activities		**8,107**	2,123
Net increase in cash and cash equivalents		**6,727**	1,395
Opening cash and cash equivalents	15	**2,026**	631
Closing cash and cash equivalents	15	**8,753**	2,026

The notes on pages 27 to 43 form part of these consolidated financial statements.

Consolidated statement of changes in equity

	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 placing	-	(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 year	-	-	-	-	(1,349)	(1,349)
At 31 December 2014	**2,519**	**3,519**	**(33)**	**(907)**	**(702)**	**4,396**

	Share capital £000	Share premium £000	Employee benefit trust reserve £000	Other reserve £000	Retained deficit £000	Total equity £000
At 31 December 2014	**2,519**	**3,519**	**(33)**	**(907)**	**(702)**	**4,396**
Issue of shares to EBT on 16 June 2015	38	-	(38)	-	-	-
Issue of shares – placing 11 November 2015	1,468	7,191	-	-	-	8,659
Transaction costs of placing	-	(482)	-	-	-	(482)
Exercise of share options	-	-	10	-	(10)	-
Share based payments	-	-	-	-	952	952
Total comprehensive expense for the period	-	-	-	-	(1,509)	(1,509)
At 31 December 2015	**4,025**	**10,228**	**(61)**	**(907)**	**(1,269)**	**12,016**

The notes on pages 27 to 43 form part of these consolidated financial statements.

Notes to the consolidated financial statements

1. Accounting policies

General information
Science in Sport plc (the "Company" and together with its subsidiaries "SiS" or the "Group") 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 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 as applied in accordance with the provisions of the Companies Act 2006, and these are set out on pages 44 to 48.

The financial statements are prepared for the year ended 31 December 2015. Following a change of accounting reference date from March to December during 2014, the comparative period presented in these financial statements is for the nine month period ended 31 December 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 2015.

The following new standards, amendments to standards or interpretations have been issued and are effective for the period ended 31 December 2015, none of which has had a significant impact on the financial statements of the Company or the Group:

- Amendment to IAS 40 – Investment property
- Amendment to IFRS 2 - Share based payment
- Amendment to IFRS 3 - Business combinations
- Amendment to IFRS 13 – Fair value measurement

The following significant new standards, amendments to standards and interpretations have been issued but are not effective for the period ended 31 December 2015:

- IFRS Disclosure Initiative (Amendments to IAS 1) (effective for year ended 31 December 2016)
- Amendment to IAS 24 - Related parties (effective 2016)
- Amendments to IAS 16 and 38 Clarification of methods of depreciation and amortization (effective 2016)
- IFRS 7 Financial Instruments: Disclosures (effective 2016)
- IFRS 9, IFRS 7 and IAS 39 Financial Instruments (yet to be EU endorsed)
- IAS 28, IFRS 10 and IFRS 12 Exemption for Investment Entities (yet to be EU endorsed)
- IFRS 15 Revenue from contracts with customers (effective 2018)
- IFRS 16 Leases (effective 2019)

The new standards, amendments to standards and interpretations have not been adopted early. The Directors do not expect them to have a material effect on the consolidated financial statements, other than the presentation of the statement of comprehensive income (IAS 1) and the recognition of assets and liabilities with regard to operating leases (IFRS 16).

Notes to the consolidated financial statements

1. Accounting policies *(continued)*

Going concern
The Directors are of the opinion that as at 22 March 2016, 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, SiS (Science in Sport) Limited and SiS (APAC) Pty Limited remain a going concern.

Basis of consolidation
The consolidated financial information presents the results of the Company and its subsidiaries, SiS (Science in Sport) Limited and SiS (APAC) Pty Limited, as if they formed a single entity ("the Company"). All group companies share the same reporting date, 31 December 2015. 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.

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 reporting 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'.

Development costs that are directly attributable to the design and testing of identifiable and unique products controlled by the Company are capitalised as intangible assets only when the following criteria are met: (i) it is technically feasible to complete the product so that it will be available for use; (ii) the directors intend to complete the product and use it; (iii) there is an ability to use the product; (iv) it can be demonstrated how the product will generate probable future economic benefits; (v) adequate technical, financial and other resources to complete the development and use the product are available; and (vi) the expenditure attributable to the product during its development can be measured reliably.

Directly attributable costs that are capitalised include relevant employee costs. Capitalised development costs are amortised on a straight line basis over a period of five years from the date that the product is brought into first use. The directors consider that five years represents the usual period over which the main benefits of a new product are gained by the Company.

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 reporting 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 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.

Notes to the consolidated financial statements

1. Accounting policies *(continued)*

Taxation (continued)
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 reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered). Deferred tax balances are not discounted.

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 reporting 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
Research and development costs	- 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.

Notes to the consolidated financial statements

1. Accounting policies *(continued)*

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 reporting date.

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 reporting 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) Intangible assets

Earlier notes describe the accounting policy for the recognition of research and development expenditure. The Company has determined the amounts of development expenditure to be recognised as intangible assets at each reporting date. In making their judgement, the directors have considered the progress of each project and whether there is sufficient certainty that the product under development will be economically viable and that economic benefits will flow to the Company.

Notes to the consolidated financial statements

1. Accounting policies *(continued)*

Critical accounting estimates and judgements (continued)
(iv) 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.

(v) 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 the losses incurred to date are as a result of the Group's current strategy to invest in growing revenue and they therefore consider it reasonable to conclude that suitable taxable profits against which losses can be utilised are able to be generated in the foreseeable future.

Share based payments

Some employees are granted share options which 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 reporting 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 statement of financial position 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.

2. Financial risk management *(continued)*

2.1 Financial risk factors (continued)

(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.

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 53.4% of the Company's revenue and hence there is some risk from the concentration of customers, however the largest single customer is only 13.2% of revenue and is a major international business. As at 31 December 2015, the provision for doubtful debts totalled £37,000 (2014: £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 reporting date of £1,488,000 (2014: £1,685,000) 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/deficit 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%.

Notes to the consolidated financial statements

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.

Revenue from one customer of £1,244,000 individually exceeds 10% of Group revenue (2014: two, £750,000 and £678,000).

Turnover by geographic destination may be analysed as follows:	**Year ended 31 December 2015 £000**	Nine month period ended 31 December 2014 £000
United Kingdom	**7,656**	5,291
EU excluding the UK	**1,472**	721
Rest of the World	**318**	240
	9,446	6,252

4. Operating expenses

	Year ended 31 December 2015 £000	Nine month period ended 31 December 2014 £000
Sales and marketing costs	**3,685**	2,433
Operating costs	**2,085**	1,525
Depreciation and amortisation	**362**	227
Share based payment charge (1)	**995**	1,208
Exceptional costs	**125**	-
Administrative expenses	**3,567**	2,960
Total operating expenses	**7,252**	5,393

(1) Includes associated social security costs of £43,000 (31 December 2014: £90,000).

5. Loss from operations

Loss from operations is stated after charging/(crediting):	**Year ended 31 December 2015 £000**	Nine month period ended 31 December 2014 £000
Depreciation of property, plant and equipment	**277**	182
Amortisation of intangible assets	**87**	45
Research and development costs	**223**	237
Foreign exchange losses	**6**	2
Profit on disposal of property, plant and equipment	**(2)**	-
Operating lease costs	**196**	158
Exceptional operating costs	**125**	-

In the year ended 31 December 2015 exceptional costs comprised the costs incurred in terminating the distributorship of SiS APAC (2014: nil).

Notes to the consolidated financial statements

6. Auditors' remuneration

The total fees for services provided by the Company's auditor are analysed below:	**Year ended 31 December 2015 £000**	Nine month period ended 31 December 2014 £000
Audit services		
Parent company	**15**	15
Subsidiary	**22**	21
Tax services - compliance		
Subsidiary	**6**	5
Other services		
Review of interim statement	**-**	3
Other	**10**	1
Total fees	**53**	45

7. Wages and salaries

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

	Year ended 31 December 2015 Number	Nine month period ended 31 December 2014 Number
Sales and marketing	**19**	22
Manufacturing	**39**	38
Administration	**5**	5
Directors	**5**	4
	68	69

Their aggregate emoluments were:

	£000	£000
Wages and salaries	**2,111**	1,667
Directors' fees	**54**	26
Social security costs	**240**	202
Pension and other staff costs	**133**	36
Total cash settled emoluments	**2,538**	1,931
Share based payments - equity settled	**952**	1,118
Share based payments - social security costs	**43**	90
Total emoluments	**3,533**	3,139

8. Directors' remuneration

Amounts paid to the Directors of the parent company.	**Year ended 31 December 2015 £000**	Nine month period ended 31 December 2014 £000
Directors		
Aggregate emoluments and fees	**326**	216
Company pension contributions	**32**	2
Total cash settled emoluments	**358**	218
Share based payment remuneration charge: equity settled	**507**	705
Total Directors' emoluments	**865**	923

8. Directors' remuneration *(continued)*

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

No share options were exercised by any 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 18 to 20.

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

9. Taxation

	Year ended 31 December 2015 £000	Nine month period ended 31 December 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	**-**	-
Origination and reversal of temporary differences	**227**	381
Tax on loss for the period	**227**	381

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	**1,736**	1,730
Loss before tax multiplied by the standard rate of corporation tax in the UK of 20% (nine month period ended 31 December 2014: 20%)	**347**	346
Effects of:		
Expenses not deductible for tax purposes	**(4)**	(1)
Additional deduction for R&D expenditure	**55**	39
Share scheme deduction	**(22)**	(3)
Effect of changes in tax rate	**(114)**	-
Adjustment in respect of previous period	**(35)**	-
Total tax credit for the period	**227**	381

At 31 December 2015 UK tax losses of the Company available to be carried forward are estimated to be £3,951,000 (31 December 2014: £2,895,000).

Deferred tax balances are valued at the rate of 18% in these accounts to the extent that timing differences are expected to reverse after this later date.

Notes to the consolidated financial statements

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.

	Year ended 31 December 2015	Nine month period ended 31 December 2014
Loss for the year attributable to owners of the parent - £000	**(1,509)**	(1,349)
Weighted average number of shares	**27,403,716**	24,831,154
Basic and diluted loss per share – pence	**(5.5p)**	(5.4p)

11. Intangible assets

	Software	**Website development costs**	**Research & Development Costs**	**Total**
	£000	**£000**	**£000**	**£000**
Cost				
At 1 April 2014	20	253	-	273
Additions	21	71	-	92
At 31 December 2014	41	324	-	365
Additions	101	102	117	320
At 31 December 2015	**142**	**426**	**117**	**685**
Amortisation				
At 1 April 2014	14	53	-	67
Charge for 9 month period	2	43	-	45
At 31 December 2014	16	96	-	112
Charge for year	12	75	-	87
At 31 December 2015	**28**	**171**	**-**	**199**
Net book value				
At 31 December 2015	**114**	**255**	**117**	**486**
At 31 December 2014	25	228	-	253

At 31 December 2015 the Company had capital commitments of £70,000 (31 December 2014: £nil) relating to website development costs.

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 2014	305	754	459	21	1,539
Additions	42	76	57	-	175
At 31 December 2014	347	830	516	21	1,714
Additions	57	64	84	-	205
Disposals	-	-	-	(21)	(21)
At 31 December 2015	**404**	**894**	**600**	**-**	**1,898**
Depreciation					
At 1 April 2014	114	433	235	21	803
Charge for the nine month period	49	54	79	-	182
At 31 December 2014	163	487	314	21	985
Charge for the year	74	79	124	-	277
Disposals	-	-	-	(21)	(21)
At 31 December 2015	**237**	**566**	**438**	**-**	**1,241**
Net book value					
At 31 December 2015	**167**	**328**	**162**	**-**	**657**
At 31 December 2014	184	343	202	-	729

The carrying amount of fixtures, fittings, plant and equipment includes an amount of £146,000 (31 December 2014: £167,000) in respect of assets provided as security under a loan agreement.

13. Inventories

	31 December 2015 £000	31 December 2014 £000
Raw materials	**706**	**798**
Finished goods	**765**	**637**
	1,471	**1,435**

There is a provision of £24,000 included within inventories in relation to the impairment of inventories (31 December 2014: £62,000).

During the period inventories of £2,935,000 (year ended 31 December 2014: £2,009,000) were recognised as an expense within cost of sales.

Notes to the consolidated financial statements

14. Trade and other receivables

	31 December 2015 £000	31 December 2014 £000
Trade receivables	**989**	930
Less: provision for impairment of trade receivables	**(37)**	(37)
Trade receivables – net	**952**	893
Other receivables	**66**	41
Total financial assets other than cash and cash equivalents classified as loans and receivables	**1,018**	934
Prepayments and accrued income	**231**	108
Total trade and other receivables	**1,249**	1,042

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 2015 trade receivables of £220,000 (31 December 2014: £163,000) 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 2015 £000	31 December 2014 £000
Less than 30 days overdue	**122**	**109**
Between 31 and 90 days overdue	**98**	**54**
	220	**163**

As at 31 December 2015 trade receivables of £37,000 (31 December 2014: £37,000) were past due and impaired. Movements on the Company provision for impairment of trade receivables are as follows

	31 December 2015 £000	31 December 2014 £000
At beginning of year	**37**	42
Provided during year	**-**	-
Unused amounts reversed	**-**	(5)
	37	37

Any movement on the provision for impaired receivables is 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 2015 £000	31 December 2014 £000
Cash at bank and in hand	**8,753**	2,026

Notes to the consolidated financial statements

16. Trade and other payables

	31 December 2015 £000	31 December 2014 £000
Trade payables	**756**	541
Accruals	**665**	1,036
Total financial liabilities measured at amortised cost	**1,421**	1,577
Other taxes and social security	**67**	108
Total trade and other payables	**1,488**	1,685

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 2015 £000	31 December 2014 £000
Secured borrowings at amortised cost		
Asset loan agreement at fixed rate	**49**	114
Amounts due for settlement within 12 months	**49**	65
Amounts due for settlement after 12 months	**-**	49
	49	114

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 18% (nine month period ended 31 December 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 2014 £000	**Credited/ (charged) to income statement in the period £000**	**At 31 December 2014 £000**	**Credited/ (charged) to income statement in the year £000**	**At 31 December 2015 £000**
Capital allowances in excess of depreciation	(52)	(30)	(82)	(21)	**(103)**
Unutilised tax losses	370	209	579	132	**711**
Other short term timing differences	11	202	213	116	**329**
	329	381	710	227	**937**

A deferred tax asset of £937,000 (31 December 2014: £710,000) 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 consider it appropriate to recognise a deferred tax asset in respect of tax losses on the basis that the losses incurred to date are as a result of the Group's current strategy to invest in growing revenue and they therefore consider it reasonable to conclude that suitable taxable profits against which losses can be utilised will be generated in the foreseeable future.

19. Share capital

Allotted, called up and fully paid	Ordinary 10p shares number	Ordinary 10p shares £000
At 1 April 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
Treasury placing on 16 June 2015	383,088	38
Issued on placing on 11 November 2015	14,676,262	1,468
At 31 December 2015	**40,244,807**	**4,025**

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

On 11 November 2015 the Group raised £8.2 million net proceeds by the issue and allotment of 14,676,262 ordinary shares at a price of 59 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 in expansion into new territories including Australia and the United States of America. (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).

On 16 June 2015 the Company issued 383,088 new ordinary shares of 10 pence each to the Employee Benefit Trust to satisfy share options granted in 2015 (2014: 559,866 new ordinary shares of 10 pence each).

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. Annual options may be settled in either cash or shares at the sole discretion of the Remuneration Committee. To date all options have been settled in shares and consequently all annual options have been treated as equity settled options.

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 £952,000 all of which related to equity settled share-based payment transactions (period ended 31 December 2014: £1,118,000). Total social security costs of £43,000 (period ended 31 December 2014: £90,000) have also been recognised and included in the share based payment charge of £995,000 (period ended 31 December 2014: £1,208,000) disclosed on the face of the consolidated statement of comprehensive income. The share based payment charge is comprised of two components:

20. Share options *(continued)*

(i) Options granted during the period

During the year ended 31 December 2015 options were granted under the short term incentive plan with regard to performance in the year ended 31 December 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
26 March 2015	0p	383,087	68.0p

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

	Weighted average exercise price pence	Weighted average share price at date of exercise pence	Share options Number
Options at 1 April 2014	-	-	-
Granted during period	0p	-	559,865
Exercised	0p	65p	(231,740)
Forfeited during period	0p	-	-
Outstanding at 31 December 2014	0p		328,125
Granted during year	0p	-	383,087
Exercised	0p	64p	(99,031)
Forfeited during year	0p	-	(16,850)
Outstanding at 31 December 2015	0p		595,331

All 383,087 share options granted in the year related to the approved, but not granted at 31 December 2014, STIP and, as such, were recognised in the share based payment charge in the nine month period to 31 December 2014 (£381,000 and associated social security costs of £53,000). The lapsed options, due to option holders leaving the Company's employ, meant a credit to the share based payment charge during the year of £25,000. Associated social security costs were credited by £3,000.

All 595,331 share options outstanding at the end of the year have vested and were exercisable. The exercise price of all options outstanding at the end of the year was nil.

20. Share options *(continued)*

(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 for the year to 31 December 2015 and long term options covering the thirty three month period to 31 December 2015 relating to the revenue growth element of the SOP. 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 £1,020,000 (2014: £737,000). Associated social security costs of £46,000 (2014: £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 in August 2013 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 2015 amounted to £133,000 (period ended 31 December 2014: £36,000). Pension contributions payable but not yet paid at 31 December 2015 totalled £12,000 (31 December 2014: £13,000).

23. Operating lease commitments

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

	31 December 2015 £000	31 December 2014 £000
Expiring:		
Due within 1 year	**189**	240
Due between 1 year and 2 years	**174**	156
Due between 2 years and 5 years	**68**	150
	431	546

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.

Parent company statement of financial position

Company number 08535116	Notes	**As at 31 December 2015 £000**	As at 31 December 2014 (restated) £000	As at 31 March 2014 £000
Assets				
Non-current assets				
Investments	3	**3,589**	2,637	1,519
Total non-current assets		**3,589**	2,637	1,519
Current assets				
Other receivables	4	**4,329**	4,291	2,060
Cash and cash equivalents		**8,177**	-	-
Total current assets		**12,506**	4,291	2,060
Total assets		**16,095**	6,928	3,579
Liabilities				
Total liabilities		**-**	-	-
Total net assets		**16,095**	6,928	3,579
Capital and reserves attributable to owners of the parent company				
Share capital	5	**4,025**	2,519	1,952
Share premium reserve		**10,228**	3,519	1,855
Share options reserve		**2,070**	1,118	-
Retained deficit		**(228)**	(228)	(228)
Total equity		**16,095**	6,928	3,579

These financial statements were approved and authorised for issue by the Board on 22 March 2016 and signed on its behalf by:

Stephen Moon
Director

The notes on pages 47 to 48 form part of these parent company financial statements.

Parent company statement of cash flows

	Year ended 31 December 2015 £000	Nine month period ended 31 December 2014 £000
Cash flows from operating activities		
Loss after tax	**-**	-
Operating cash outflow before changes in working capital	**-**	-
Changes in other receivables	**(38)**	(2,231)
Total cash outflow from operations	**(38)**	(2,231)
Cash flow from financing activities		
Proceeds from issue of share capital	**8,659**	2,300
Expenses paid on share issues	**(482)**	(125)
Proceeds from issue of share capital to employee benefit trust	**38**	56
Net cash inflow from financing activities	**8,215**	2,231
Net increase in cash and cash equivalents	**8,177**	-
Opening cash and cash equivalents	**-**	-
Closing cash and cash equivalents	**8,177**	-

The notes on pages 47 to 48 form part of these parent company financial statements.

Parent company statement of changes in equity

	Share capital £000	Share premium £000	Share options £000	Retained deficit £000	Total equity £000
At 31 March 2014	**1,952**	**1,855**	**-**	**(228)**	**3,579**
Issue of shares – placing on 9 April 2014	511	1,789	-	-	2,300
Transaction costs of placing	-	(125)	-	-	(125)
Issue of shares to EBT on 15 August 2014	56	-	-	-	56
Share based payment	-	-	1,118	-	1,118
At 31 December 2014	**2,519**	**3,519**	**1,118**	**(228)**	**6,928**

	Share capital £000	Share premium £000	Share options £000	Retained deficit £000	Total equity £000
At 31 December 2014	**2,519**	**3,519**	**1,118**	**(228)**	**6,928**
Issue of shares to EBT on 16 June 2015	38	-	-	-	38
Issue of shares – placing 11 November 2015	1,468	7,191	-	-	8,659
Transaction costs of placing	-	(482)	-	-	(482)
Share based payment	-	-	952	-	952
At 31 December 2015	**4,025**	**10,228**	**2,070**	**(228)**	**16,095**

The notes on pages 47 to 48 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 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 these are set out on pages 44 to 48. The accounting policies are consistent with those of the Group which are disclosed in note 1 to the consolidated financial statements.

Transition to IFRS

The parent company financial statements were previously prepared under UK generally accepted accounting policies. The only changes to the financial statements on adoption of IFRS has been to show the company's investment in the EBT of £94,000 (December 2014: £56,000; March 2014: £Nil) as a receivable rather than as treasury shares in equity and to correct an error in the period ended 31 December 2014 (31 March 2014: £nil) where the capital contribution to the company's subsidiary, SiS (Science in Sport) Limited with respect to share based payment charges for options over the Company's shares to employees of SiS (Science in Sport) Limited had not been accounted for. The impact is to increase investments by £1.118m and to increase reserves by £1.118m at 31 December 2014.

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.

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 (period ended 31 December 2014: £Nil).

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
At 1 April 2014	1,519
Capital contribution	1,118
At 31 December 2014	2,637
Capital contribution	952
At 31 December 2015	**3,589**

At 31 December 2015 the Company owned the following material subsidiary undertakings:

	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
SiS (APAC) Pty Limited	100%	Victoria, Australia	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.

Notes to the parent company financial statements

4. Other receivables

	31 December 2015 £000	31 December 2014 £000
Amounts falling due within one year		
Amounts owed by SiS (Science in Sport) Limited	4,235	4,235
Loan to Employee Benefit Trust	94	56
At 31 December	4,329	4,291

5. Share capital

Allotted, called up and fully paid	**Ordinary 10p shares number**	**Ordinary 10p shares £000**
At 1 April 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
Treasury placing on 16 June 2015	383,088	38
Issued on placing on 11 November 2015	14,676,262	1,468
At 31 December 2015	**40,244,807**	**4,025**

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. Related party transactions

Related party balances at the period end are set out in Note 4 above. During the year the company recharged share based payment expenses of £952,000 (2014: £1,118,000) to SiS (Science in Sport) Limited via a capital contribution.

Science in Sport plc wholly owns SiS (Science in Sport) Limited and SiS (APAC) Pty Limited.

Company information

Company number	08535116
Directors	J M Clarke C D Buck R Duignan S N Moon
Audit committee	C D Buck (Chairman) J M Clarke R Duignan
Remuneration committee	C D Buck J M Clarke (Chairman)
Registrars	Equiniti Limited Aspect House Spencer Road Lancing West Sussex BN99 6DA
Registered office	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	Moore Stephens LLP Prospect House Queens Road Reading Berkshire RG1 4RP

Notes

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