

Company registration number 08170845 (England and Wales)

CLASS DELTA LTD
T/A THE PROTEIN WORKS
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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

Directors Mr M Coxhead
Mr A Ghoora
Mrs L Keir
Mr R Millman
Mr C Todd (Appointed 9 January 2023)

Company number 08170845

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

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

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

FOR THE YEAR ENDED 31 AUGUST 2022

The directors present the strategic report for the year ended 31 August 2022.

Fair review of the business

The Directors are pleased to report a pre tax profit of £2,189,898 for the year ended 31 August 2022.

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

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

The targeted results are being realised this year and are anticipated to continue being realised during 2022/2023. The Directors expect this trend to continue for the foreseeable future and have a number of sales, marketing and product development initiatives to accelerate further growth in the business.

Principal risks and uncertainties

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

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

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

Liquidity risk

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

Interest rate and foreign currency risk

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

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

Whilst the aim is to achieve an economic hedge, the company does not adopt a policy of hedge accounting for these financial statements.

Credit risk

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

Market risk

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

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

FOR THE YEAR ENDED 31 AUGUST 2022

Other information and explanations

Key performance indicators

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

Key performance indicators continue to be used throughout the business. The company is data-driven to a very high level and focuses on improving these metrics to deliver an excellent service to the customer.

Future developments

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

On behalf of the board

Mr M Coxhead
Director
24 February 2023

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

FOR THE YEAR ENDED 31 AUGUST 2022

The directors present their annual report and financial statements for the year ended 31 August 2022.

Principal activities

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

Results and dividends

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

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

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

Mr M Coxhead
Mr A Ghoora
Mrs L Keir
Mr R Millman
Mr C Todd

(Appointed 9 January 2023)

Auditor

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

Statement of directors' responsibilities

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

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

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

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

Statement of disclosure to auditor

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

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

FOR THE YEAR ENDED 31 AUGUST 2022

On behalf of the board

Mr M Coxhead
Director

24 February 2023

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

Opinion

We have audited the financial statements of Class Delta Ltd (the 'company') for the year ended 31 August 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

We design procedures in line with our responsibilities, outlined below to detect material misstatement due to fraud:

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

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

Use of our report

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

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

24 February 2023

Chartered Accountants
Statutory Auditor

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

CLASS DELTA LTD
T/A THE PROTEIN WORKS
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2022

		2022	2021
	Notes	£	as restated £
Turnover	3	29,073,915	25,327,658
Cost of sales		(14,801,637)	(13,369,465)
Gross profit		14,272,278	11,958,193
Administrative expenses		(11,881,716)	(10,426,725)
Other operating income		-	41,151
Exceptional item	4	(194,662)	-
Operating profit	5	2,195,900	1,572,619
Interest payable and similar expenses	7	(6,002)	(4,041)
Profit before taxation		2,189,898	1,568,578
Tax on profit	8	(276,865)	(91,656)
Profit for the financial year		<u>1,913,033</u>	<u>1,476,922</u>

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

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

AS AT 31 AUGUST 2022

		2022		2021 as restated	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	9		229,842		206,623
Tangible assets	10		1,055,715		739,831
			<u>1,285,557</u>		<u>946,454</u>
Current assets					
Stocks	11	4,688,339		2,625,699	
Debtors	12	2,846,525		2,677,115	
Cash at bank and in hand		893,138		1,079,390	
			<u>8,428,002</u>	<u>6,382,204</u>	
Creditors: amounts falling due within one year	13	<u>(4,048,502)</u>		<u>(3,804,189)</u>	
Net current assets			<u>4,379,500</u>		<u>2,578,015</u>
Total assets less current liabilities			<u>5,665,057</u>		<u>3,524,469</u>
Creditors: amounts falling due after more than one year	14		(211,962)		(31,702)
Provisions for liabilities					
Deferred tax liability	16	<u>142,021</u>	<u>(142,021)</u>	<u>94,726</u>	<u>(94,726)</u>
Net assets			<u><u>5,311,074</u></u>		<u><u>3,398,041</u></u>
Capital and reserves					
Called up share capital	18		3,398		3,398
Share premium account			2,691,902		2,691,902
Profit and loss reserves			2,615,774		702,741
Total equity			<u><u>5,311,074</u></u>		<u><u>3,398,041</u></u>

The financial statements were approved by the board of directors and authorised for issue on 24 February 2023 and are signed on its behalf by:

Mr M Coxhead
Director

Company Registration No. 08170845

CLASS DELTA LTD
T/A THE PROTEIN WORKS
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2022

	Share capital	Share premium account	Profit and loss reserves	Total
	£	£	£	£
As restated for the year ended 31 August 2021:				
Balance at 1 September 2020	3,398	2,691,902	(774,181)	1,921,119
Year ended 31 August 2021:				
Profit and total comprehensive income for the year (as restated)	-	-	1,476,922	1,476,922
Balance at 31 August 2021	3,398	2,691,902	702,741	3,398,041
Year ended 31 August 2022:				
Profit and total comprehensive income for the year	-	-	1,913,033	1,913,033
Balance at 31 August 2022	3,398	2,691,902	2,615,774	5,311,074

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

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022		2021 as restated	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	23		568,247		97,741
Interest paid			(6,002)		(4,041)
Income taxes (paid)/refunded			(58,706)		6,222
Net cash inflow from operating activities			<u>503,539</u>		<u>99,922</u>
Investing activities					
Purchase of intangible assets		(71,329)		(86,704)	
Purchase of tangible fixed assets		(882,678)		(518,716)	
Proceeds from disposal of tangible fixed assets		-		30,300	
Net cash used in investing activities			<u>(954,007)</u>		<u>(575,120)</u>
Financing activities					
Payment of finance leases obligations		-		(58,310)	
Proceeds of finance leases obligations		264,216		-	
Net cash generated from/(used in) financing activities			<u>264,216</u>		<u>(58,310)</u>
Net decrease in cash and cash equivalents			<u>(186,252)</u>		<u>(533,508)</u>
Cash and cash equivalents at beginning of year			<u>1,079,390</u>		<u>1,612,898</u>
Cash and cash equivalents at end of year			<u><u>893,138</u></u>		<u><u>1,079,390</u></u>

CLASS DELTA LTD
T/A THE PROTEIN WORKS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

Company information

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

1.1 Accounting convention

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

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

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

1.2 Turnover

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

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

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

1.3 Intangible fixed assets other than goodwill

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

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

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

Software	20% Straight Line
Trademarks	10% Straight Line

1.4 Tangible fixed assets

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

CLASS DELTA LTD
T/A THE PROTEIN WORKS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies **(Continued)**

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

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

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

1.5 Impairment of fixed assets

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

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

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

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

1.6 Stocks

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

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

1.7 Cash at bank and in hand

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

CLASS DELTA LTD
T/A THE PROTEIN WORKS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies **(Continued)**

1.8 Financial instruments

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

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

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

Basic financial assets

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

Other financial assets

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

CLASS DELTA LTD
T/A THE PROTEIN WORKS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies **(Continued)**

Basic financial liabilities

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

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

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

Other financial liabilities

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

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

Derecognition of financial liabilities

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

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

1.9 Taxation

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

Current tax

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

CLASS DELTA LTD
T/A THE PROTEIN WORKS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies **(Continued)**

Deferred tax

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

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

1.10 Retirement benefits

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

1.11 Leases

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

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

2 Judgements and key sources of estimation uncertainty

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

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

Key sources of estimation uncertainty

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

Tangible fixed assets

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

3 Turnover		
	2022	2021
	£	£
Turnover analysed by class of business		
Sale of healthy shakes, meals & snacks	29,073,915	25,327,658
	<u> </u>	<u> </u>
	2022	2021
	£	£
Turnover analysed by geographical market		
United Kingdom	20,355,719	16,646,592
Rest of World	8,718,196	8,681,066
	<u> </u>	<u> </u>
	<u>29,073,915</u>	<u>25,327,658</u>

4 Exceptional item		
	2022	2021
	£	£
Expenditure		
Fixed asset impairment	194,662	-
	<u> </u>	<u> </u>

During the year, the company invested in a stock system which was later deemed obsolete. The asset was subsequently written off at its net book value.

5 Operating profit		
	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	24,500	20,846
Depreciation of owned tangible fixed assets	311,943	177,283
Depreciation of tangible fixed assets held under finance leases	53,599	39,355
Profit on disposal of tangible fixed assets	-	(30,300)
Amortisation of intangible assets	48,110	47,166
	<u> </u>	<u> </u>

6 Employees

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

	2022	2021
	Number	Number
Sales and distribution	168	130
Management and administration	4	4
	<u> </u>	<u> </u>
Total	<u>172</u>	<u>134</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

6	Employees		(Continued)
	Their aggregate remuneration comprised:		
		2022	2021
		£	£
	Wages and salaries	4,745,087	4,195,333
	Pension costs	65,482	47,494
		<u>4,810,569</u>	<u>4,242,827</u>
		<u><u>4,810,569</u></u>	<u><u>4,242,827</u></u>
	Total Directors' remuneration for the year was £Nil (2021: £Nil).		
7	Interest payable and similar expenses		
		2022	2021
		£	£
	Other finance costs:		
	Interest on finance leases and hire purchase contracts	6,002	4,041
		<u>6,002</u>	<u>4,041</u>
		<u><u>6,002</u></u>	<u><u>4,041</u></u>
8	Taxation		
		2022	2021
		£	£
	Current tax		
	UK corporation tax on profits for the current period	229,570	51,241
	Adjustments in respect of prior periods	-	(38,263)
		<u>229,570</u>	<u>12,978</u>
	Total current tax	<u>229,570</u>	<u>12,978</u>
		<u><u>229,570</u></u>	<u><u>12,978</u></u>
	Deferred tax		
	Origination and reversal of timing differences	47,295	78,678
		<u>47,295</u>	<u>78,678</u>
		<u><u>47,295</u></u>	<u><u>78,678</u></u>
	Total tax charge	<u>276,865</u>	<u>91,656</u>
		<u><u>276,865</u></u>	<u><u>91,656</u></u>

CLASS DELTA LTD
T/A THE PROTEIN WORKS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

8 Taxation **(Continued)**

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

	2022	2021
	£	£
Profit before taxation	2,189,898	1,568,578
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	416,081	298,030
Tax effect of expenses that are not deductible in determining taxable profit	-	60,379
Tax effect of income not taxable in determining taxable profit	(760)	-
Adjustments in respect of prior years	-	(46,260)
Effect of change in corporation tax rate	-	21,244
Group relief	(138,456)	(179,672)
Permanent capital allowances in excess of depreciation	-	(22,886)
Research and development tax credit	-	(39,179)
Taxation charge for the year	<u>276,865</u>	<u>91,656</u>

9 Intangible fixed assets

	Software	Trademarks	Total
	£	£	£
Cost			
At 1 September 2021	608,510	50,001	658,511
Additions	36,059	35,270	71,329
At 31 August 2022	<u>644,569</u>	<u>85,271</u>	<u>729,840</u>
Amortisation and impairment			
At 1 September 2021	444,979	6,909	451,888
Amortisation charged for the year	42,496	5,614	48,110
At 31 August 2022	<u>487,475</u>	<u>12,523</u>	<u>499,998</u>
Carrying amount			
At 31 August 2022	<u>157,094</u>	<u>72,748</u>	<u>229,842</u>
At 31 August 2021	<u>163,531</u>	<u>43,092</u>	<u>206,623</u>

CLASS DELTA LTD
T/A THE PROTEIN WORKS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

10 Tangible fixed assets

	Leasehold improvements	Plant and equipment	Fixtures & Fittings	Computers	Total
	£	£	£	£	£
Cost					
At 1 September 2021	419,289	986,754	61,850	401,912	1,869,805
Additions	238,325	418,322	7,668	218,363	882,678
Revaluation	-	-	-	(257,004)	(257,004)
At 31 August 2022	657,614	1,405,076	69,518	363,271	2,495,479
Depreciation and impairment					
At 1 September 2021	244,116	576,751	53,126	255,981	1,129,974
Depreciation charged in the year	79,910	183,692	5,080	96,860	365,542
Revaluation	-	-	-	(55,752)	(55,752)
At 31 August 2022	324,026	760,443	58,206	297,089	1,439,764
Carrying amount					
At 31 August 2022	333,588	644,633	11,312	66,182	1,055,715
At 31 August 2021	175,173	410,003	8,724	145,931	739,831

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

	2022	2021
	£	£
Plant and equipment	159,290	98,954
Depreciation charge for the year in respect of leased assets	53,599	39,355

11 Stocks

	2022	2021
	£	£
Raw materials and consumables	3,123,373	1,675,183
Finished goods and goods for resale	1,564,966	950,516
	4,688,339	2,625,699

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12 Debtors	2022	2021
Amounts falling due within one year:	£	£
Trade debtors	1,514,856	1,432,424
Corporation tax recoverable	46,360	84,623
Amounts owed by group undertakings	811,976	696,889
Other debtors	6,590	-
Prepayments and accrued income	466,743	463,179
	<u>2,846,525</u>	<u>2,677,115</u>

13 Creditors: amounts falling due within one year	2022	2021
Notes	£	£
Obligations under finance leases	15 140,389	56,433
Trade creditors	2,220,210	2,422,682
Corporation tax	236,424	103,823
Other taxation and social security	366,048	346,697
Other creditors	11,654	10,288
Accruals and deferred income	1,073,777	864,266
	<u>4,048,502</u>	<u>3,804,189</u>

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

14 Creditors: amounts falling due after more than one year	2022	2021
Notes	£	£
Obligations under finance leases	15 211,962	31,702
	<u>211,962</u>	<u>31,702</u>

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

15 Finance lease obligations	2022	2021
Future minimum lease payments due under finance leases:	£	£
Within one year	140,389	56,433
In two to five years	211,962	31,702
	<u>352,351</u>	<u>88,135</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

16 Deferred taxation

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

	Liabilities 2022	Liabilities 2021
	£	£
Balances:		
Accelerated capital allowances	142,021	73,482
Changes in local corporation tax rate	-	21,244
	<u>142,021</u>	<u>94,726</u>
		2022
Movements in the year:		£
Liability at 1 September 2021		94,726
Charge to profit or loss		47,295
		<u>142,021</u>
Liability at 31 August 2022		<u>142,021</u>

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

17 Retirement benefit schemes

	2022	2021
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	65,482	47,494
	<u>65,482</u>	<u>47,494</u>

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

18 Share capital

	2022	2021	2022	2021
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary Shares of £1 each	3,398	3,398	3,398	3,398
	<u>3,398</u>	<u>3,398</u>	<u>3,398</u>	<u>3,398</u>

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FOR THE YEAR ENDED 31 AUGUST 2022

19 Operating lease commitments

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

	2022	2021
	£	£
Within one year	362,403	303,311
Between two and five years	344,651	712,563
	<u>707,054</u>	<u>1,015,874</u>

20 Related party transactions

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

21 Ultimate controlling party

There is no one ultimate controlling party.

22 Prior period adjustment

During the year, the Directors have identified a brought forward error in the sales ledger totalling £284,000. The effect of this is to reduce profits for the year ended 31 August 2021 by £284,000.

Further to this, the Directors also identified a brought forward error totalling £40,000 relating to stock. The effect of this is to increase profits for the year ended 31 August 2021 by £40,000.

The net adjustment to profit amounts to £244,000, resulting in a total corporation tax impact of the above adjustments being a liability reduction of £46,360.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

23	Cash generated from operations		
		2022	2021
		£	£
	Profit for the year after tax	1,913,033	1,476,922
	Adjustments for:		
	Taxation charged	276,865	91,656
	Finance costs	6,002	4,041
	Gain on disposal of tangible fixed assets	-	(30,300)
	Amortisation and impairment of intangible assets	48,110	47,166
	Depreciation and impairment of tangible fixed assets	365,542	216,638
	Impairment of assets	194,662	-
	Movements in working capital:		
	Increase in stocks	(2,062,640)	(1,132,228)
	Increase in debtors	(201,083)	(1,470,259)
	Increase in creditors	27,756	894,105
	Cash generated from operations	<u>568,247</u>	<u>97,741</u>
24	Analysis of changes in net funds		
		1 September	Cash flows 31 August 2022
		2021	
		£	£
	Cash at bank and in hand	1,079,390	(186,252) 893,138
	Obligations under finance leases	(88,135)	(264,216) (352,351)
		<u>991,255</u>	<u>(450,468) 540,787</u>

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