

Company Registration No. 02363015 (England and Wales)

COMVITA UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

COMVITA UK LIMITED

COMPANY INFORMATION

Director B Hewlett (Appointed 18 November 2019)

Company number 02363015

Registered office Batchworth House
Batchworth Place
Church Street
Rickmansworth
Hertfordshire
WD3 1JE

Auditor Mercer & Hole
Batchworth House
Batchworth Place
Church Street
Rickmansworth
Hertfordshire
WD3 1JE

Business address Second Floor
47a High Street
Maidenhead
Berkshire
SL6 1JT

COMVITA UK LIMITED

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COMVITA UK LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2019

The director presents his annual report and financial statements for the year ended 30 June 2019.

Principal activities

The principal activity of the company continued to be that of the wholesale and retail of natural health foods.

Director

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

| | |
|-----------|------------------------------|
| R Ali | (Resigned 22 August 2018) |
| S Coulter | (Resigned 18 November 2019) |
| M Sadd | (Resigned 18 November 2019) |
| B Hewlett | (Appointed 18 November 2019) |

Results and dividends

The results for the year are set out on page 5.

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

Auditor

The auditor, Mercer & Hole, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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.

On behalf of the board

B Hewlett
Director

30 March 2020

COMVITA UK LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 JUNE 2019

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

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. He is 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.

COMVITA UK LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF COMVITA UK LIMITED

Opinion

We have audited the financial statements of Comvita UK Limited (the 'company') for the year ended 30 June 2019 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2019 and of its loss 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the director's report has been prepared in accordance with applicable legal requirements.

COMVITA UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF COMVITA UK LIMITED

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 director's report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the company is not entitled to claim exemption in preparing a strategic report due to it being a member of an ineligible group.

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 him 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.

Mark Cassidy FCA (Senior Statutory Auditor)

for and on behalf of Mercer & Hole

Chartered Accountants

Statutory Auditor

30 March 2020

Batchworth House
Batchworth Place
Church Street
Rickmansworth
Hertfordshire
WD3 1JE

COMVITA UK LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2019

| | Notes | 2019 £ | 2018 £ |
|---|-----------|-------------|-------------|
| Turnover | 3 | 4,120,192 | 4,567,339 |
| Cost of sales | | (2,287,602) | (3,104,101) |
| Gross profit | | 1,832,590 | 1,463,238 |
| Administrative expenses | | (1,817,797) | (1,367,326) |
| Other operating income | | 813 | - |
| Operating profit | 4 | 15,606 | 95,912 |
| Interest receivable and similar income | 8 | 545 | 334 |
| Interest payable and similar expenses | 9 | (65,146) | (50,841) |
| (Loss)/profit before taxation | | (48,995) | 45,405 |
| Tax on (loss)/profit | 10 | 15,614 | (10,650) |
| (Loss)/profit for the financial year | | (33,381) | 34,755 |

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

COMVITA UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

| | 2019 | 2018 |
|---|-------------|-------------|
| | £ | £ |
| (Loss)/profit for the year | (33,381) | 34,755 |
| Other comprehensive income | - | - |
| | <hr/> | <hr/> |
| Total comprehensive income for the year | (33,381) | 34,755 |
| | <hr/> <hr/> | <hr/> <hr/> |

COMVITA UK LIMITED

BALANCE SHEET

AS AT 30 JUNE 2019

| | | 2019 | | 2018 | |
|---|--------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | Notes | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 11 | | 3,157 | | 11,097 |
| Current assets | | | | | |
| Stocks | 12 | 1,327,070 | | 2,220,426 | |
| Debtors | 13 | 1,921,748 | | 1,775,927 | |
| Cash at bank and in hand | | 157,448 | | 148,015 | |
| | | <u>3,406,266</u> | | <u>4,144,368</u> | |
| Creditors: amounts falling due within one year | 14 | <u>(1,631,615)</u> | | <u>(2,344,276)</u> | |
| Net current assets | | | <u>1,774,651</u> | | <u>1,800,092</u> |
| Total assets less current liabilities | | | <u><u>1,777,808</u></u> | | <u><u>1,811,189</u></u> |
| Capital and reserves | | | | | |
| Called up share capital | 16 | 390,000 | | 390,000 | |
| Profit and loss reserves | | 1,387,808 | | 1,421,189 | |
| Total equity | | <u><u>1,777,808</u></u> | | <u><u>1,811,189</u></u> | |

The financial statements were approved by the board of directors and authorised for issue on 30 March 2020 and are signed on its behalf by:

B Hewlett
Director

Company Registration No. 02363015

COMVITA UK LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

| | Share capital | Profit and loss reserves | Total |
|--|---------------|-----------------------------|-----------|
| | £ | £ | £ |
| Balance at 1 July 2017 | 390,000 | 1,386,434 | 1,776,434 |
| Year ended 30 June 2018: | | | |
| Profit and total comprehensive income for the year | - | 34,755 | 34,755 |
| Balance at 30 June 2018 | 390,000 | 1,421,189 | 1,811,189 |
| Year ended 30 June 2019: | | | |
| Loss and total comprehensive income for the year | - | (33,381) | (33,381) |
| Balance at 30 June 2019 | 390,000 | 1,387,808 | 1,777,808 |

COMVITA UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies

Company information

Comvita UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is Batchworth House, Batchworth Place, Church Street, Rickmansworth, Hertfordshire, WD3 1JE.

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 on the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Comvita Limited, a company registered in New Zealand. Copies of the consolidated financial statements are available from www.comvita.co.nz/investor.

1.2 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents invoiced sales of honey based goods, excluding value added tax. Revenue is recognised at the point goods are dispatched to customers.

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.

COMVITA UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies

(Continued)

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.

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:

| | |
|--------------------------------|---------------------------------------|
| Fixtures, fittings & equipment | 16.67% - 33.3% on straight line basis |
| Computer equipment | 20% - 33.3% on straight line basis |

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 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.

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.

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 sell is recognised as an impairment loss in profit or loss.

1.7 Cash and cash equivalents

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.

1.8 Financial instruments

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

Financial instruments are recognised in the company's statement of financial position 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies

(Continued)

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.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

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.

COMVITA UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies, 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.

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 period. 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.

COMVITA UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

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 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

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

1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is 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.

COMVITA UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

| | 2019 £ | 2018 £ |
|---|------------------|------------------|
| Turnover analysed by class of business | | |
| Honey Products | 4,120,192 | 4,567,339 |
| | <u>4,120,192</u> | <u>4,567,339</u> |
| | 2019 £ | 2018 £ |
| Other significant revenue | | |
| Interest income | 545 | 334 |
| | <u>545</u> | <u>334</u> |
| | 2019 £ | 2018 £ |
| Turnover analysed by geographical market | | |
| UK sales | 4,120,192 | 4,567,339 |
| | <u>4,120,192</u> | <u>4,567,339</u> |

4 Operating profit

Operating profit for the year is stated after charging:

| | 2019 £ | 2018 £ |
|---|------------------|------------------|
| Exchange losses | 10,568 | 13,343 |
| Depreciation of owned tangible fixed assets | 9,429 | 13,618 |
| Cost of stocks recognised as an expense | 2,280,658 | 3,104,101 |
| Impairment of stocks recognised or reversed | 6,944 | - |
| | <u>2,307,599</u> | <u>3,231,062</u> |

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £10,568 (2018 - £13,343).

5 Auditor's remuneration

Fees payable to the company's auditor and associates:

| | 2019 £ | 2018 £ |
|--|---------------|---------------|
| For audit services | | |
| Audit of the financial statements of the company | 12,000 | 11,500 |
| | <u>12,000</u> | <u>11,500</u> |
| For other services | | |
| Taxation compliance services | 4,670 | 3,250 |
| All other non-audit services | 80 | 80 |
| | <u>4,750</u> | <u>3,330</u> |

COMVITA UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 JUNE 2019****6 Employees**

The average monthly number of persons (including directors) employed by the company during the year was: 8 (2018 - 8).

| | 2019 | 2018 |
|---------------------|---------------|---------------|
| | Number | Number |
| Sales and marketing | 8 | 8 |

Their aggregate remuneration comprised:

| | 2019 | 2018 |
|-----------------------|----------------|----------------|
| | £ | £ |
| Wages and salaries | 444,082 | 389,015 |
| Social security costs | 8,906 | 13,850 |
| Pension costs | 1,231 | 10,204 |
| | <u>454,219</u> | <u>413,069</u> |

Redundancy payments in the year include £71,275.

7 Director's remuneration

| | 2019 | 2018 |
|---|---------------|----------------|
| | £ | £ |
| Remuneration for qualifying services | 82,246 | 116,701 |
| Company pension contributions to defined contribution schemes | 1,231 | 10,204 |
| | <u>83,477</u> | <u>126,905</u> |

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2018 - 1).

8 Interest receivable and similar income

| | 2019 | 2018 |
|---------------------------|-------------|-------------|
| | £ | £ |
| Interest income | | |
| Interest on bank deposits | 545 | 334 |

9 Interest payable and similar expenses

| | 2019 | 2018 |
|--|-------------|-------------|
| | £ | £ |
| Interest payable to group undertakings | 65,146 | 50,841 |

COMVITA UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 JUNE 2019****10 Taxation**

| | 2019 | 2018 |
|--|------------------------|----------------------|
| | £ | £ |
| Current tax | | |
| UK corporation tax on profits for the current period | (15,614) | 8,267 |
| Adjustments in respect of prior periods | - | 2,383 |
| | <u> </u> | <u> </u> |
| Total current tax | <u><u>(15,614)</u></u> | <u><u>10,650</u></u> |

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

| | 2019 | 2018 |
|---|------------------------|----------------------|
| | £ | £ |
| (Loss)/profit before taxation | <u><u>(48,995)</u></u> | <u><u>45,405</u></u> |
| Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%) | (9,309) | 8,627 |
| Tax effect of expenses that are not deductible in determining taxable profit | 731 | 1,017 |
| Adjustments in respect of prior years | - | 2,383 |
| Group relief | - | (2,764) |
| Depreciation on assets not qualifying for tax allowances | 1,015 | 1,387 |
| Other adjustments | <u><u>(8,051)</u></u> | <u><u>-</u></u> |
| Taxation (credit)/charge for the year | <u><u>(15,614)</u></u> | <u><u>10,650</u></u> |

COMVITA UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

11 Tangible fixed assets

| | Fixtures, fittings & equipment | Computer equipment | Total |
|------------------------------------|-----------------------------------|-----------------------|---------|
| | £ | £ | £ |
| Cost | | | |
| At 1 July 2018 | 78,274 | 28,908 | 107,182 |
| Additions | 1,489 | - | 1,489 |
| At 30 June 2019 | 79,763 | 28,908 | 108,671 |
| Depreciation and impairment | | | |
| At 1 July 2018 | 67,611 | 28,474 | 96,085 |
| Depreciation charged in the year | 8,995 | 434 | 9,429 |
| At 30 June 2019 | 76,606 | 28,908 | 105,514 |
| Carrying amount | | | |
| At 30 June 2019 | 3,157 | - | 3,157 |
| At 30 June 2018 | 10,663 | 434 | 11,097 |

12 Stocks

| | 2019 £ | 2018 £ |
|-------------------------------------|-----------|-----------|
| Raw materials and consumables | 2,525 | 53 |
| Finished goods and goods for resale | 1,324,545 | 2,220,373 |
| | 1,327,070 | 2,220,426 |

13 Debtors

| | 2019 £ | 2018 £ |
|---|-----------|-----------|
| Amounts falling due within one year: | | |
| Trade debtors | 753,682 | 592,029 |
| Corporation tax recoverable | 15,699 | - |
| Amount due from parent undertaking | 956,610 | 956,610 |
| Amounts due from group undertakings | 130,295 | 130,295 |
| Other debtors | 48,577 | 70,306 |
| Prepayments and accrued income | 16,885 | 26,687 |
| | 1,921,748 | 1,775,927 |

Trade debtors disclosed above are measured at amortised cost.

COMVITA UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 JUNE 2019****14 Creditors: amounts falling due within one year**

| | 2019 | 2018 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Trade creditors | 70,475 | 9,602 |
| Amounts owed to group undertakings | 1,253,587 | 1,965,415 |
| Corporation tax | - | 8,267 |
| Other taxation and social security | 13,688 | 8,757 |
| Accruals and deferred income | 293,865 | 352,235 |
| | <u>1,631,615</u> | <u>2,344,276</u> |

15 Retirement benefit schemes

| | 2019 | 2018 |
|---|--------------|---------------|
| | £ | £ |
| Defined contribution schemes | | |
| Charge to profit or loss in respect of defined contribution schemes | <u>1,231</u> | <u>10,204</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.

16 Share capital

| | 2019 | 2018 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Ordinary share capital | | |
| Issued and fully paid | | |
| 390,000 Ordinary shares of £1 each | <u>390,000</u> | <u>390,000</u> |

17 Related party transactions**Transactions with related parties**

The company has taken advantage of the exemption conferred by paragraph 33.1A of FRS 102 "Related Party Disclosures" not to disclose transactions with other group entities, whose voting rights are 100% controlled within the group, and where consolidated financial statements of the group are publicly available.

18 Ultimate controlling party

The company was controlled throughout the current year and prior period by the ultimate parent company, Comvita Limited, a company registered in New Zealand, which forms the largest group for which group accounts are prepared and of which Comvita UK Limited is a member. Copies of the group accounts can be obtained from www.comvita.co.nz/investor.

No one entity has overall control of Comvita Limited. Comvita UK Limited's immediate parent company is Comvita Holdings UK Limited, a company registered in England and Wales. Comvita UK Limited is a wholly owned subsidiary of Comvita Holdings UK Limited.

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