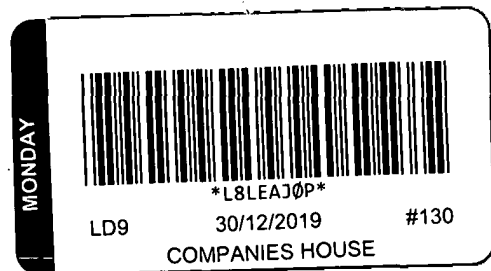


**COMPANY REGISTRATION NUMBER 02896421**

**Natures Way Foods Limited**

**Annual Report and Financial Statements**

**For the period from 31 March 2018 to 29 March 2019**



# **Natures Way Foods Limited**

## **Annual Report and Financial Statements**

**For the period from 31 March 2018 to 29 March 2019**

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# **Natures Way Foods Limited**

## **Officers and Professional Advisors**

**Period from 31 March 2018 to 29 March 2019**

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### **THE BOARD OF DIRECTORS**

B Jones  
R Parr  
DG Williams  
DW Langmead  
RA Langmead  
SC Gilliland  
CD Smith (appointed 16 April 2018)  
AM Barker (appointed 15 October 2018)

### **REGISTERED OFFICE**

Park Farm  
Chichester Road  
Selsey  
Chichester  
West Sussex  
United Kingdom  
PO20 9HP

### **AUDITOR**

Deloitte LLP  
Statutory Auditor  
Park House  
Crawley Business Quarter  
Manor Royal  
Gatwick  
United Kingdom  
RH10 9AD

### **BANKERS**

National Westminster Bank plc  
2 Golden Hill Lane  
Leyland  
Preston  
Lancashire  
PR5 2NP

### **SOLICITORS**

Stevens & Bolton LLP  
Wey House  
Farnham Road  
Guildford  
Surrey  
GU1 4YD

# Natures Way Foods Limited

## Strategic Report

Period from 31 March 2018 to 29 March 2019

The directors present their strategic report for the company for the period between 31 March 2018 to 29 March 2019.

The company prepares Annual Report and Financial Statements each year to the Friday nearest the accounting reference date which this year results in a 52 week period.

### Principal Activities

The principal activity of the company comprises the processing and wholesale distribution of food products. There have not been any significant changes in the company's principal activity in the period under review.

### Key Performance Indicators

We measure our progress against the following KPIs which are considered to be indicative of the overall business performance of the company.

KPI	2019	2018
Turnover (£m)	191	183
Operating (loss)/profit (£m)	(2)	2
Operating margin (%)	(1)%	1%

### Review of the Business

This financial year has been challenging for the industry as a whole. Low or negative food inflation forms a difficult economic backdrop, putting pressure both on retailers and their suppliers. In addition, the extreme weather, seen during the 2018 summer, put significant pressure on both the business and its supply chain.

The results for the company are shown in the Statement of Comprehensive Income and retained earnings on page 12. The company's financial position is presented in the Balance Sheet on page 13.

The company's turnover increased 4.5% to £191m (2018: £183m). The operating loss during the year was £2.3m (2018: £2.1m profit). The reduction in operating profit is primarily caused by an increased depreciation charge as the business continues to invest in its asset base. In addition, inflation both in wages (impacted by the national living wage) and in raw and packaging materials, increased the cost base. The weakness of the pound continues to put pressure on margins.

Despite a very challenging trading environment and difficult supply conditions, the business continues to grow turnover and market share whilst increasing EBITDA. The directors remain very positive in respect to continued revenue and market share growth and improving profitability. The business has invested significantly into capacity and technology to deliver market leading quality and service whilst remaining cost competitive.

The company has adequate funding arrangements to support future trading prospects and to maintain liquidity and solvency requirements as set out within the liquidity risk section in this report and going concern section in the directors' report of these financial statements.

# **Natures Way Foods Limited**

## **Strategic Report (continued)**

**Period from 31 March 2018 to 29 March 2019**

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### **Principal Risks and Uncertainties**

The company continually monitors both the business and markets that it operates in. The main risks to the company are considered to be market demand, competition, weather and external factors.

Due to the nature of the company's products, we rely on the weather to determine the quality and availability of a large proportion of the raw materials. This risk is managed through seasonal contracts with key suppliers.

### **EU Exit Risk**

The UK's decision to leave the EU presented the company with new risks, such as currency exchange rate volatility, labour market shortages and uncertainty about rules on cross-border movement of goods. The company takes steps in mitigating these risks by looking into new technology, gaining expertise on customs procedures, expanding supplier base, but until the EU exit negotiations are complete, the situation presents considerable uncertainty.

### **Competition Risk**

The nature of the company's principal activity relies on relationships with few large customers. A loss of such a customer relationship due to an inability to price competitively or respond to market trends could result in loss of a material revenue stream. To maintain strong relationships, the company offers a diverse range of products within several product categories. The company also invests to ensure a high level of service and product quality.

The company's activities expose it to a number of financial risks including credit risk, foreign currency risk and liquidity risk. The use of financial derivatives is governed by the company's policies approved by the board of directors, which provide principles on the use of financial derivatives to manage these risks. The company does not use derivative financial instruments for speculative purposes.

### **Foreign Currency Risk**

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The company uses foreign exchange forward contracts to hedge these exposures.

The company finances its operations with cash resources and borrowings. Interest rate risk is managed by linking the rate payable to the base rate and regularly reviewing market interest rates.

### **Credit Risk**

The company's principal financial assets are bank balances and cash, trade and other debtors.

The company's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of allowances for doubtful debtors. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

## **Natures Way Foods Limited**

### **Strategic Report (continued)**

**Period from 31 March 2018 to 29 March 2019**

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#### **Liquidity Risk**

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses a mixture of long-term and short-term debt finance.

#### **Research and Development**

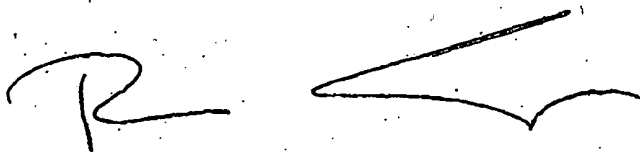
During the period the company continued to develop products to meet the needs of its markets including the introduction of a number of new product lines. All expenditure has been charged to the profit and loss account as it arises.

#### **Future Developments and Events after the Balance Sheet Date**

There were no events since the reporting date which require adjustment or disclosure.

The directors continue to focus on increasing revenue and market share and the expectation is that this growth will continue into the next financial year.

This report was approved by the board of directors on .....23/9/19..... and signed on behalf of the board by:



**RA Langmead**  
**Director**

# **Natures Way Foods Limited**

## **Directors' Report**

**Period from 31 March 2018 to 29 March 2019**

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The directors present their Annual Report and Audited Financial Statements for the period ended 29 March 2019.

### **Directors**

The directors who served the group throughout the period and to the date of signing except as noted, were as follows:

B Jones

R Parr

DG Williams

DW Langmead

RA Langmead

SC Gilliland

CD Smith (appointed 16 April 2018)

AM Barker (appointed 15 October 2018)

### **Dividends**

The directors recommend the payment of a final dividend £4m (2018: £nil). There were no interim dividends paid or declared in the current or prior financial year.

### **Going Concern**

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Having reviewed the current performance and future trading prospect against the net current liability position, the directors consider that there is adequate funding available to be able to meet the company's liabilities as they fall due. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in note 3 of these financial statements.

### **Disabled Employees**

Applicants for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitude and abilities.

In the event of employees becoming disabled, every effort is given to retrain them in order that their employment with the company may continue. It is the policy of the company that training, career development and promotion opportunities should be available to all employees.

### **Employee Involvement**

The group has continued its practice of keeping employees informed of matters affecting them as employees and the financials and economic factors affecting the performance of the group.

This is achieved through regular briefings to all departments in the group.

# **Natures Way Foods Limited**

## **Directors' Report (continued)**

**Period from 31 March 2018 to 29 March 2019**

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### **Employees and Employment Practice**

The group pursues an employment policy of equal opportunities and strives to follow best practice recruitment and selection. It does not discriminate on the grounds of race, nationality, sex, marital status, disability and religious or political beliefs.

### **People and Management**

The continuing success of the company is thanks to the strength of the company's employees. The board is grateful for the strong support and enthusiasm shown by staff in a successful period. The board looks forward to continuing to build and develop the business with them in the future.

### **Health, Safety and the Environment**

The company takes health and safety extremely seriously. The company works to ensure that the best health and safety practices are carried out throughout the business and that employees work in a safe environment.

The company continuously monitors its impact on the environment, attempting to minimise where possible its activities affecting the environment.

In addition the company recognises it has an important role to play in the communities it operates in and has created a Corporate & Social Responsibility Plan to ensure that is achieved.

### **Qualifying Indemnity Provision**

The company has granted indemnity to its directors against liability in respect of proceedings brought by third parties, subject to conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision was in force during the year and is in force as at the date of approving the Directors' report.

### **Disclosure of Information in the Strategic Report**

Details of the principal activities, review of the business, principal risks and uncertainties, research and development and future developments and events after the balance sheet date can be found in the strategic report on pages 2 to 4 and form part of this report by cross reference.



## Natures Way Foods Limited

### Directors' Report (continued)

Period from 31 March 2018 to 29 March 2019

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#### Auditor


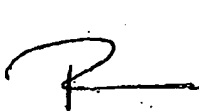
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to reappoint Deloitte LLP as auditors will be proposed at the forthcoming Annual General Meeting.

This report was approved by the board of directors on ....23/9/19..... and signed on behalf of the board by:



RA Langmead  
Director

# **Natures Way Foods Limited**

## **Directors' Responsibilities Statement**

**Period from 31 March 2018 to 29 March 2019**

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

Company law requires the directors to prepare annual report and financial statements for each financial period. Under that law the directors have elected to prepare the annual report and financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the annual report and financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period. In preparing these annual report and 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 applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the annual report and financial statements; and
- prepare the annual report and 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 annual report and 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.

# Natures Way Foods Limited

## Independent Auditor's Report to the Members of Natures Way Foods Limited Period from 31 March 2018 to 29 March 2019

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### Report on the audit of the financial statements

#### Opinion

In our opinion the financial statements of Natures Way Foods Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 29 March 2019 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 27;

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).

#### 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 annual report and financial statements in the UK, including the Financial Reporting Council's (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 are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have 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.

We have nothing to report in respect of these matters.

# **Natures Way Foods Limited**

## **Independent Auditor's Report to the Members of Natures Way Foods Limited (continued) Period from 31 March 2018 to 29 March 2019**

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### **Other Information**

The directors are 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 annual report and financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual report and 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 annual report and 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 respect of these matters.

### **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 annual report and 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 annual report and financial statements.

A further description of our responsibilities for the audit of the annual report and financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Natures Way Foods Limited**

### **Independent Auditor's Report to the Members of Natures Way Foods Limited (continued)**

**Period from 31 March 2018 to 29 March 2019**

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#### **Report on other legal and regulatory requirements**

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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 any material misstatements in the strategic report or the directors' report.

#### **Matters on Which We are Required to Report by Exception**

Under the Companies Act 2006 we are required to report in respect of the following matters 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

#### **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.



Hannah Pop FCA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Gatwick, United Kingdom

Date: 24 September 2019

# Natures Way Foods Limited

## Statement of Comprehensive Income

Period from 31 March 2018 to 29 March 2019

	Note	2019 £000	2018 £000
<b>TURNOVER</b>	<b>4</b>	190,706	182,509
Cost of sales		(164,067)	(152,832)
<b>GROSS PROFIT</b>		<u>26,639</u>	<u>29,677</u>
Administrative expenses		(28,983)	(27,558)
Other operating income		2	-
<b>OPERATING (LOSS)/PROFIT</b>		<u>(2,342)</u>	<u>2,119</u>
Finance costs (net)	<b>10</b>	(422)	(51)
<b>(LOSS)/PROFIT BEFORE TAX</b>	<b>5</b>	<u>(2,764)</u>	<u>2,068</u>
Tax on (loss)/profit	<b>11</b>	(639)	(1,125)
<b>(LOSS)/PROFIT FOR THE FINANCIAL PERIOD</b>		<u><u>(3,403)</u></u>	<u><u>943</u></u>

All the activities of the company are from continuing operations.

# Natures Way Foods Limited

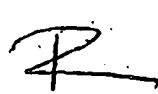

## Balance Sheet

As at 29 March 2019

	Note	2019 £000	2018 £000
<b>FIXED ASSETS</b>			
Tangible assets	13	45,574	45,313
Deferred tax asset		72	-
		<u>45,646</u>	<u>45,313</u>
<b>CURRENT ASSETS</b>			
Stocks	14	4,559	4,016
Debtors	15	24,954	24,544
Cash at bank and in hand		-	-
		<u>29,513</u>	<u>28,560</u>
<b>CREDITORS: amounts falling due within one year</b>	16	(37,716)	(35,959)
<b>NET CURRENT LIABILITIES</b>		<u>(8,203)</u>	<u>(7,399)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>37,443</u>	<u>37,914</u>
<b>CREDITORS: amounts falling due after more than one year</b>	17	(8,747)	(5,997)
<b>PROVISIONS</b>	18	-	(39)
<b>NET ASSETS</b>		<u>28,696</u>	<u>31,878</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	22	150	150
Profit and loss account	23	28,546	31,728
<b>SHAREHOLDERS FUNDS</b>		<u>28,696</u>	<u>31,878</u>

These financial statements were approved by the board of directors and authorised for issue on 23/9/19, and are signed on behalf of the board by:

RA Langmead  
Director

Company registration number: 02896421

# Natures Way Foods Limited

## Statement of Changes in Equity

As at 29 March 2019

	Called up share capital £000	Profit and loss account £000	Total £000
<b>At 30 March 2018</b>	150	31,728	31,878
Loss for the period	-	(3,403)	(3,403)
<b>Total Comprehensive income for the period</b>	-	(3,403)	(3,403)
Share-based payment charge	12	221	221
<b>Total investments by and distributions to owners</b>	-	221	221
<b>At 29 March 2019</b>	150	28,546	28,696



# **Natures Way Foods Limited**

## **Notes to the Financial Statements**

**Period from 31 March 2018 to 29 March 2019**

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### **1. GENERAL INFORMATION**

The company is a private company limited by shares, registered in England and Wales and incorporated in the United Kingdom.

The address of the registered office is:

Park Farm  
Chichester Road  
Selsey  
Chichester  
West Sussex  
United Kingdom  
PO20 9HP

The nature of the company's operations and its principal activities are set out in the strategic report on pages 2 to 4.

### **2. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### **3. ACCOUNTING POLICIES**

#### **Basis of preparation**

These financial statements have been prepared under the historical cost convention except for derivatives, financed assets and liabilities which are shown at fair value.

The financial statements are prepared in sterling, which is the functional currency of the entity because that is the currency of the primary economic environment in which the company operates.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

#### **Going concern**

The company's business activities together with a description of the financial position of the company, the principal risk and uncertainties and the factors likely to affect future development, performance and position are set in the strategic report. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Having considered the current performance, the net current liability position and future trading prospects, the directors consider that there is adequate funding available to be able to meet the company's liabilities as they fall due. Thus they continue to adopt going concern basis in preparing the annual financial statements.

# **Natures Way Foods Limited**

## **Notes to the Financial Statements (continued)**

**Period from 31 March 2018 to 29 March 2019**

---

### **3. ACCOUNTING POLICIES (continued)**

#### **Disclosure exemptions**

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Natures Way Foods Europe Limited which can be obtained from their registered office as detailed in note 26. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) Disclosures in respect of share-based payments have not been presented.
- (e) No disclosure has been given for the aggregate remuneration of key management personnel.
- (f) No related party transactions with other wholly owned subsidiary undertakings of Natures Way Foods Europe Limited.

#### **Revenue Recognition**

The turnover shown in the profit and loss account represents the total amount receivable by the group for goods and services provided, excluding Value Added Tax. Revenue is recognised at the point of delivery, which is when the risk is transferred.

#### **Income tax**

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profit and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence it can be regarded as more likely than not there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

# **Natures Way Foods Limited**

## **Notes to the Financial Statements (continued)**

**Period from 31 March 2018 to 29 March 2019**

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### **3. ACCOUNTING POLICIES (continued)**

#### **Income tax (continued)**

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the company is able to control the reversal of the timing difference and it is probably that it will not reverse in the foreseeable future. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component or comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

#### **Foreign currency**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

#### **Operating leases**

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

# **Natures Way Foods Limited**

## **Notes to the Financial Statements (continued)**

**Period from 31 March 2018 to 29 March 2019**

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### **3. ACCOUNTING POLICIES (continued)**

#### **Tangible assets**

Tangible assets are stated in the statement of financial net position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold property	-	over the term of the lease
Plant and machinery	-	3 to 10 years straight line
Furniture and fittings	-	3 to 10 years straight line

#### **Share capital**

Ordinary shares are classified as equity. Equity Instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

#### **Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for the possible reversal at each reporting date.

For the purpose of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or group of assets.

# **Natures Way Foods Limited**

## **Notes to the Financial Statements (continued)**

**Period from 31 March 2018 to 29 March 2019**

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### **3. ACCOUNTING POLICIES (continued)**

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

#### **Finance leases and hire purchase contracts**

Assets held under finance leases and hire purchase contracts are recognised in the balance sheet as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

#### **Financial instruments**

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument.

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 group after deducting all of its liabilities.

#### **Financial assets and liabilities**

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

# **Natures Way Foods Limited**

## **Notes to the Financial Statements (continued)**

**Period from 31 March 2018 to 29 March 2019**

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### **3. ACCOUNTING POLICIES (continued)**

#### **Financial assets and liabilities (continued)**

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) Returns to the holder are (i) a fixed amount; or (ii) a fixed rate of return over the life of the instrument; or (iii) a variable return that, throughout the life of the instrument, is equal to a single referenced quoted or observable interest rate; or (iv) some combination of such fixed rate and variable rates, providing that both rates are positive.
- (b) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (c) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in relevant taxation or law.
- (d) There are no conditional returns or repayment provisions except for the variable rate return described in (a) and prepayment provisions described in (c).

Debt instruments that are classified as payable or receivable within one year and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

#### **Defined contribution plans**

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the period.

# **Natures Way Foods Limited**

## **Notes to the Financial Statements (continued)**

**Period from 31 March 2018 to 29 March 2019**

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### **3. ACCOUNTING POLICIES (continued)**

#### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### **Critical accounting judgements**

##### **Share-based payments**

The group operates two management incentive schemes which are structured across a number of companies within the group and have a number of specific terms, details of which can be found in note 12. There are a number of possible outcomes through which the benefits of the schemes may be realised and, depending on the outcome, the scheme will be settled in either shares or in cash. The accounting treatment differs depending on whether the scheme is settled in shares or in cash.

The schemes have been classified as equity-settled share-based payment arrangements in Natures Way Foods Limited as the directors have made the judgement that the company receives the services from participants but has no obligation to settle the schemes in cash, instead receiving a capital contribution through equity from Natures Way Foods Europe Limited.

#### **Key sources of estimation uncertainty**

There are no sources of estimation uncertainty made by the company that are expected to result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

# Natures Way Foods Limited

## Notes to the Financial Statements (continued)

Period from 31 March 2018 to 29 March 2019

### 4. TURNOVER

The turnover is attributable to the one principal activity of the group. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2019	2018
	£000	£000
United Kingdom	188,896	180,780
Rest of Europe	1,810	1,729
	<u>190,706</u>	<u>182,509</u>

### 5. PROFIT BEFORE TAX

Profit before tax is stated after charging:

	2019	2018
	£000	£000
Depreciation of tangible assets	12,184	8,872
Operating lease rentals	3,912	3,735
Foreign exchange differences	189	1,117
Research and development cost	288	247
Fair value movement of forward currency contracts	114	(98)
Profit on disposal of assets	(2)	-
	<u></u>	<u></u>

### 6. AUDITOR'S REMUNERATION

	2019	2018
	£000	£000
Fees payable for the audit of the company's financial statements	<u>72</u>	<u>70</u>

Remuneration of the audit is settled by Natures Way Foods Limited on behalf of all the companies in the Natures Way Foods Europe Group. £55k (2018: £53k) was attributable to the audit of Natures Way Foods Limited.



# Natures Way Foods Limited

## Notes to the Financial Statements (continued)

Period from 31 March 2018 to 29 March 2019

### 7. STAFF COSTS

The average number of persons employed by the company during the period, including the directors, amounted to:

	2019 No.	2018 No.
Production staff	962	951
Administration staff	226	219
	<u>1,188</u>	<u>1,170</u>

The aggregate payroll costs incurred during the period, relating to the above were:

	2019 £000	2018 £000
Wages and Salaries	34,935	31,071
Social security costs	3,354	2,876
Other pension costs	917	782
Compensation for loss of office	-	1,273
	<u>39,206</u>	<u>36,002</u>

### 8. DIRECTORS' REMUNERATION

The group directors' aggregate remuneration in respect of qualifying services was:

	2019 £000	2018 £000
Remuneration	1,539	877
Company contributions to defined contribution pension plans	33	31
Compensation for loss of office	-	1,273
	<u>1,572</u>	<u>2,181</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2019 No	2018 No
Defined contribution plans	<u>2</u>	<u>2</u>

Remuneration of the highest paid director in respect of qualifying services:

	2019 £000	2018 £000
Aggregate remuneration	<u>652</u>	<u>1,695</u>

RA Langmead and DW Langmead are remunerated via the ultimate parent company, Natures Way Foods Europe Limited for which the financial statements are publicly available. It is not feasible to allocate the share of remuneration for services performed as directors of Natures Way Foods Limited.

# Natures Way Foods Limited

## Notes to the Financial Statements (continued)

Period from 31 March 2018 to 29 March 2019

### 9. FINANCE INCOME AND FINANCE COST

	2019	2018
	£000	£000
<b>a. Finance income</b>		
Interest from group undertakings	56	110
Gain on financial instruments	-	98
	<u>56</u>	<u>208</u>

	2019	2018
	£000	£000
<b>b. Finance cost</b>		
Interest on bank loans and overdrafts	(105)	(125)
Interest to group undertaking	(13)	-
Interest on finance lease obligations and hire purchase contracts	(246)	(134)
Loss on financial instruments	(114)	-
	<u>(478)</u>	<u>(259)</u>

### 10. FINANCE COSTS (NET)

	2019	2018
	£000	£000
Finance income (note 9a)	56	208
Finance cost (note 9b)	(478)	(259)
<b>Finance cost (Net)</b>	<u>(422)</u>	<u>(51)</u>

### 11. TAX ON PROFIT

#### Major components of tax expense

	2019	2018
	£000	£000
<b>Current tax:</b>		
UK current tax expense	740	1,149
Adjustments in relation to prior periods	10	(13)
<b>Total current tax</b>	<u>750</u>	<u>1,136</u>

#### Deferred tax:

Origination and reversal of timing differences	(112)	63
Adjustments in relation to prior periods	(11)	(67)
Impact of change in tax rate	12	(7)
<b>Total deferred tax</b>	<u>(111)</u>	<u>(11)</u>
<b>Tax on profit</b>	<u>639</u>	<u>1,125</u>

# Natures Way Foods Limited

## Notes to the Financial Statements (continued)

Period from 31 March 2018 to 29 March 2019

### 11. TAX ON PROFIT (continued)

#### Reconciliation of tax expense

The tax assessed on the profit for the period is higher than the standard rate of corporation tax in the UK of 19% (2018: 19%).

	2019 £000	2018 £000
(Loss)/Profit before taxation	(2,764)	2,068
(Loss)/Profit by rate of tax	(525)	393
Adjustment to tax charge in respect of prior periods	(1)	(80)
Effect of expenses not deductible for tax purposes	1,274	963
Effect of income not taxable	-	-
Effect of group relief	(121)	(145)
Effect of FRS 102 conversion adjustment	-	1
Effect of tax rate change	12	(7)
Tax on profit	639	1,125

#### Factors that may affect future tax expense

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

A reduction in the main rate of corporation tax to 19% took effect on 1 April 2017. A further reduction to 17% was enacted on 15 September 2016 and will take effect from 1 April 2020.

### 12. SHARE BASED PAYMENTS

The group operates two management incentive schemes for directors and certain senior management, being:

- the Natures Way Foods Europe Limited share scheme ("NWFE share scheme"), commencing in December 2012; and
- the Natures Way Foods Investment Company Limited share scheme ("NWFIC share scheme"), commencing in August 2018.

Under the schemes, Natures Way Foods Europe Limited or Natures Way Foods Investment Company Limited issue "D" shares or "E" shares to participants of the NWFE share scheme and NWFIC share scheme respectively. The entitlement of shareholders to voting rights and to receive dividends are stated in the Articles of Association of Natures Way Foods Europe Limited and Natures Way Foods Investment Company Limited.

# **Natures Way Foods Limited**

## **Notes to the Financial Statements (continued)**

**Period from 31 March 2018 to 29 March 2019**

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### **12. SHARE BASED PAYMENTS (continued)**

The shares generate benefit to the participants through realisation of one of a number of the defined vesting events and the receiving of the benefit is contingent on meeting the imposed performance conditions, being the achievement of a pre-determined hurdle valuation and continued employment of the participant. Both the vesting events and performance conditions are defined in the Articles of Association of Natures Way Foods Europe Limited and Natures Way Foods Investment Company Limited for the NWFE share scheme and NWFIC share scheme respectively.

Based on the terms above and the specific circumstances, the group considers these schemes to represent cash-settled share-based payment arrangements at a group level, as the most probable settlement of the scheme is through a share buyback and therefore eventual pay-out will be made through a cash settlement.

At a company level, Natures Way Foods Europe Limited carries the obligation to settle both schemes but does not receive the services from the participants, which are instead received by Natures Way Foods as the legal employer of the participants. On this basis, the schemes are considered to be cash-settled share-based payment arrangements to Natures Way Foods Europe Limited and equity-settled share-based payment arrangements to Natures Way Foods Limited.

There were a total of 5.5k shares and 833k shares outstanding in respect of the NWFE and NWFIC schemes respectively, each of which carried a fair value of between 7.5p and £15, averaging at 33p. The aggregate fair value of all outstanding shares in these schemes was therefore £276k. This fair value was determined using a pricing model taking into account certain performance conditions.

In the current year, an expense of £221k (2018: £nil) was recognised with an associated increase to equity being equivalent to a capital contribution from the parent which takes on the obligation to settle these schemes.

## Natures Way Foods Limited

### Notes to the Financial Statements (continued)

Period from 31 March 2018 to 29 March 2019

#### 13. TANGIBLE ASSETS

	Short Leasehold Property £000	Plant and Machinery £000	Furniture and Fittings £000	Assets under Construction £000	Total £000
At 30 March 2018	14,828	86,816	9,896	948	112,488
Additions	239	6,877	482	4,865	12,463
Assets under construction complete	79	808	61	(948)	-
Disposals	(116)	(1,412)	(396)	-	(1,924)
<b>At 29 March 2019</b>	<b>15,030</b>	<b>93,089</b>	<b>10,043</b>	<b>4,865</b>	<b>123,027</b>
<b>Depreciation</b>					
At 30 March 2018	9,132	52,610	5,433	-	67,175
Charge for the financial year	715	9,686	1,783	-	12,184
On disposal	(116)	(1,412)	(378)	-	(1,906)
<b>At 29 March 2019</b>	<b>9,731</b>	<b>60,884</b>	<b>6,838</b>	<b>-</b>	<b>77,453</b>
<b>Carrying amount</b>					
<b>At 29 March 2019</b>	<b>5,299</b>	<b>32,205</b>	<b>3,205</b>	<b>4,865</b>	<b>45,574</b>
At 30 March 2018	5,696	34,206	4,463	948	45,313

All leasehold property is held under short leases, defined as less than 50 years.

# Natures Way Foods Limited

## Notes to the Financial Statements (continued)

Period from 31 March 2018 to 29 March 2019

### 13. TANGIBLE ASSETS (continued)

#### Finance leases and hire purchase contracts

Included within the carrying value of tangible fixed assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Plant and Machinery £000
At 30 March 2018	9,854
At 29 March 2019	<u>10,548</u>

### 14. STOCKS

	2019 £000	2018 £000
Raw materials and consumables	4,168	3,872
Finished goods and goods for resale	391	144
	<u>4,559</u>	<u>4,016</u>

The cost of inventories recognised as an expense during the year from continuing operations was £87,256k (2018: £88,658k).

### 15. DEBTORS: amounts falling due within one year

	2019 £000	2018 £000
Trade debtors	19,402	17,850
Amounts owed by group undertakings	2,014	3,441
Prepayments and accrued income	1,659	1,464
Other debtors	1,879	1,777
Derivative financial assets	-	12
	<u>24,954</u>	<u>24,544</u>

Amounts owed by group undertakings are repayable on demand, with interest payable at a rate of LIBOR +2%.

# Natures Way Foods Limited

## Notes to the Financial Statements (continued)

Period from 31 March 2018 to 29 March 2019

### 16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£000	£000
Bank loans and overdrafts	10,099	7,004
Trade creditors	17,285	14,698
Amounts owed to group	238	2,395
Accruals and deferred income	9,041	10,810
Corporation tax	32	210
Social security and other taxes	798	794
Derivative financial liabilities	102	-
Other creditors	121	48
	<u>37,716</u>	<u>35,959</u>

Amounts owed to group undertakings are repayable on demand, with interest payable at a rate of LIBOR +2%

### 17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019	2018
	£000	£000
Bank loans and overdrafts	<u>8,747</u>	<u>5,997</u>

The bank loans are secured on the underlying plant and machinery assets of £10,248k (2018: £9,854k) at a fixed rate of interest of 2.7% per annum (2018: 2.58% per annum) above the base rate.

### 18. PROVISIONS

	Deferred tax (note 19) £000
At 30 March 2018	39
Charge against provision	(28)
Adjustment in respect of prior periods	(11)
At 29 March 2019	<u>(0)</u>

# Natures Way Foods Limited

## Notes to the Financial Statements (continued)

Period from 31 March 2018 to 29 March 2019

### 19. DEFERRED TAX

The deferred tax included in the balance sheet is as follows:

	2019	2018
	£000	£000
Included in provisions (note 18)	-	39
Included in deferred tax asset	(72)	-
	<u>(72)</u>	<u>39</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2019	2018
	£000	£000
Accelerated capital allowances	(34)	65
Other short term timing differences	(24)	(26)
Non trading timing differences	(14)	-
	<u>(72)</u>	<u>39</u>

### 20. EMPLOYEE BENEFITS

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £917k (2018: £782k).

Contributions totalling £109k (2018: £107k) were payable to the scheme at the end of the period and are included in creditors.

### 21. FINANCIAL INSTRUMENTS

The carrying amount for each category of financial instrument is as follows:

	2019	2018
	£000	£000
<b>Financial assets measured at fair value through profit or loss</b>		
Forward foreign currency categories	<u>(102)</u>	<u>12</u>

The fair values are calculated using valuation models based on observable market data.



# Natures Way Foods Limited

## Notes to the Financial Statements (continued)

Period from 31 March 2018 to 29 March 2019

### 22. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2019		2018	
	No.	£000	No.	£000
Ordinary shares of £0.01 each	15,000,000	150	15,000,000	150
	<u>15,000,000</u>	<u>150</u>	<u>15,000,000</u>	<u>150</u>

### 23. RESERVES

Profit and loss account - This reserve records retain earnings and accumulated losses, net of dividends paid and other adjustments.

### 24. OPERATING LEASE COMMITMENTS

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2019	2018
	£000	£000
Not later than 1 year	3,874	3,435
Later than 1 year and not later than 5 years	11,671	9,274
Later than 5 years	52,773	37,551
	<u>68,318</u>	<u>50,260</u>

### 25. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption available under FRS 102, section 33.1A, not to disclose transactions with wholly-owned members of the group headed by Natures Way Foods Europe Limited.

During the period the company paid rent of £998k (2018: £985k) to DW Langmead, a director of the company.

During the period the company paid management charges and consultancy fees amounting to £2,000k (2018: £2,000k) to Landlink Estates Limited (previously Langmead Estates Limited), and £nil (2018: £11k) to Langmead Farms Limited, both companies are controlled by DW Langmead, a director of the company.

During the period the company paid rent, management charges and consultancy fees and purchased goods amounting to £3,035k (2018: £3,243k) to Kingsbridge Estates Limited, a company controlled by RA Langmead, a director of the company. During the period the company recharged costs of £6k (2018: £nil) to Kingsbridge Estates Limited. At the end of the period Natures Way Foods Limited was owed £nil (2018: £nil).

# Natures Way Foods Limited

## Notes to the Financial Statements (continued)

Period from 31 March 2018 to 29 March 2019

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### 25. RELATED PARTY TRANSACTIONS (continued)

During the period the company sold goods and recharged costs amounting to £16k (2018: £nil) and purchased raw materials and professional services which in total were £2,952k (2018: £3,474k) from companies owned or partly owned by DW Langmead, a director of the company. At the end of the period Natures Way Foods Limited owed these companies £670k (2018: £369k) and was owed £2k (2018: £1k) by them.

During the period the company purchased raw materials amounting to £1,728k (2018: £1,621k) from Sun Salads Limited, a 90% subsidiary of Natures Way Investment Company Limited. The company also recharged costs to Sun Salads Limited of £779k (2018: £608k) during the period. At the end of the period Natures Way Foods Limited owed Sun Salads Limited £152k (2018: £149k) and was owed £424k (2018: £417k).

During the period the company purchased raw materials amounting to £nil (2018: £nil) from Sun Salads Espana S.L, a 100% subsidiary of Sun Salads Limited. The company also recharged costs to Sun Salads Espana S.L of £1.6k (2018: £nil) during the period. At the end of the period Natures Way Foods Limited owed Sun Salads Espana S.L £nil (2018: £nil) and was owed £1,557k (2018: £1,639k). Sun Salads Espana S.L is a member of a producer organisation in Spain and so these purchases are made via SAT Las Primicias.

During the period the company recharged costs amounting to £529k (2018: £672k) to Natures Way Food Europe Limited (NWFE). The company was also charged interest of £13k on outstanding balances with NWFE (2018: charged interest of £23k to NWFE). At the end of the period the company owed NWFE £86k (2018: £861k).

During the period the company recharged costs amounting to £33k (2018: £nil) to Natures Way Foods Investment Company (NWFIC). At the end of the period NWFIC owed the company £33k (2018: £nil).

### 26. CONTROLLING PARTY

The company is a 100% subsidiary of Natures Way Foods Investment Company Limited. The Company's ultimate parent company is Natures Way Foods Europe Limited. All entities are domiciled in the United Kingdom and registered in England and Wales. The registered office of the company's ultimate parent company is Park Farm, Chichester Road, Selsey, West Sussex, United Kingdom, PO20 9HP. The ultimate controlling parties are DW Langmead and RA Langmead by virtue of their shareholding in Natures Way Foods Europe Limited.

The smallest and largest group of undertakings for which group financial statements have been drawn up is that headed by Natures Way Foods Europe Limited. Copies of the group financial statements can be obtained from Companies House.

### 27. SUBSEQUENT EVENTS

There were no events since the reporting date which require adjustment or disclosure.