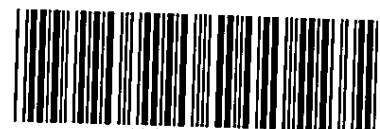




Financial Statements Goldshield Limited

For the year ended 31 March 2009

MONDAY



AS7SGDUO

A18

05/10/2009

182

COMPANIES HOUSE

Company No. 3561477

Company Information

Company registration number	3561477
Registered office	No.1 Croydon 12-16 Addiscombe Road Croydon Surrey CR0 0XT
Directors	R V Patel A M Patel
Secretary	S Venkateswaran
Bankers	The Royal Bank of Scotland plc 280 Bishopsgate London EC2M 4RB
Solicitors	Jones Day 10 Old Bailey London EC4M 7NG Cripps Harries Hall LLP Wallside House 12 Mount Ephraim Road Tunbridge Wells Kent TN1 1EG
Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditors Grant Thornton House Melton Street Euston Square London NW1 2EP

Index

Report of the directors	3 - 5
Report of the independent auditor	6 - 7
Principal accounting policies	8 - 9
Profit and loss account	10
Balance sheet	11
Notes to the financial statements	12 - 16

Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 March 2009.

Principal activities

The principal activity of the company during the year was the marketing, manufacture and distribution of healthcare products.

Results and dividends

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

Business review and future developments

Turnover for the year was £6,273,206 (2008: £7,254,675). However this business incurred an operating loss of £5,851,818 (2008: £2,855,595) due to a challenging market environment and increased investment in brand building. The product lines have been rationalised, a number of non-core product areas have been closed and the business has been restructured. While we believe that this business has good long term prospects, especially in weight management and joints & mobility, further work is required to build a sustainable business and we expect the company to continue to be loss-making in the current financial year.

Brand building efforts were focused on two top selling brands in the Weight Management category: Appesat was introduced in 2009 while maintaining the growth of Lipobind. We are committed to develop and launch new branded products in the lifestyle consumer health segments, particularly in weight management and joints & mobility.

Key performance indicators

The directors have monitored the progress of the overall company's strategy and the individual strategic elements by the reference to certain financial key performance indicators which are analysed as follows:

	Year to 31 March 2009	Year to 31 March 2008	Change	
	£ '000	£ '000	£ '000	%
Turnover	6,273	7,255	(982)	(13.5)
Gross profit	4,294	4,973	(679)	(13.7)
Loss before tax	5,852	2,856	(2,996)	(104.9)

Principal risks and uncertainties

The management of the business and the nature of the company's strategy are subject to a number of risks.

Economic downturn

The success of the consumer health business is reliant on consumer spending. An economic downturn, resulting in reduction of consumer spending power will have a direct impact on the income achieved by the company.

Report of the directors (continued)

In response to this risk, senior management aim to keep abreast of economic conditions. In cases of severe economic downturn, marketing and pricing strategies will be modified to reflect the new market conditions.

High proportion of fixed overheads and variable revenues

A large proportion of the company's overheads are fixed. There is the risk that any significant changes in revenue may lead to the inability to cover such costs.

Senior management closely monitor fixed overheads against budget on a monthly basis and cost saving exercises are implemented when there is an anticipated decline in revenues.

Competition

The market in which the company operates is highly competitive. As a result there is constant downwards pressure on margins and the additional risk of being unable to meet customers' expectations. Policies of constant price monitoring and ongoing market research are in place to mitigate such risks.

Financial risk management objectives and policies

The company uses a variety of financial instruments including cash, equity investments and various items, such as trade debtors and trade creditors, that arise directly from its operations. The main purpose of these financial instruments is to provide working capital for the company's operations.

Short term debtors and creditors

Short term debtors and creditors have been excluded from the following disclosures except those relating to currency risk. The company's trade and other receivables are actively monitored to avoid significant concentration of credit risk.

Interest rate risk

The company finances its operations through a mixture of retained profits and bank facilities. Bank borrowings are made using variable interest rates.

Liquidity risk

The company seeks to manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Short term flexibility is achieved through overdraft facilities and short/medium term borrowings.

Currency risk

The company is exposed to transaction foreign exchange risk.

Directors

The directors who served the company during the year were as follows:

A M Patel
R V Patel

Report of the directors (continued)

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records that 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 1985. 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

ON BEHALF OF THE BOARD



R V Patel
Director

4 September 2009



Report of the independent auditor to the members of Goldshield Limited

We have audited the financial statements of Goldshield Limited for the year ended 31 March 2009 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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.

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the Report of the directors and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the directors is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Report of the independent auditor to the members of Goldshield Limited (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the directors is consistent with the financial statements.

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS
LONDON

11 September 2009

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

The accounts have been prepared on a going concern basis which assumes adequate financial support will be made available by the company's parent undertaking, Goldshield Group plc, for a period of not less than 12 months from the date of signing these financial statements. The directors have received confirmation of this support.

Should the company require and not receive this support and therefore be unable to continue trading, adjustments would have to be made to reduce the value of the assets to their recoverable amount, to provide for any further liabilities, which might arise, and to reclassify fixed assets and long-term liabilities as current assets and liabilities.

The directors have reviewed the principal accounting policies and consider they remain the most appropriate for the company. The principal accounting policies of the company have remained unchanged from the prior year and are set out below.

Consolidation

The financial statements have been prepared for Goldshield Limited as an individual undertaking only and not for the Group of which it is a parent. The company is exempt from producing consolidated accounts under Section 228 of the Companies Act 1985 as it is itself a wholly owned subsidiary undertaking and consolidated accounts for the larger group are drawn up to the same date.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) 'Cash Flow Statements' from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Depreciation

Depreciation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows:

Plant & Equipment	-	15%
-------------------	---	-----

Investments

Investments are included at cost. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Principal accounting policies

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Deferred taxation

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Profit and loss account

	Note	2009 £	2008 £
Turnover	1	6,273,206	7,254,675
Cost of sales		(1,979,448)	(2,281,408)
Gross profit		4,293,758	4,973,267
Other operating charges	2	(10,213,098)	(7,894,618)
Other operating income	3	67,522	65,756
Operating loss		(5,851,818)	(2,855,595)
Interest payable		(44)	-
Loss on ordinary activities before taxation	4	(5,851,862)	(2,855,595)
Tax on loss on ordinary activities	6	1,661,034	758,017
Retained loss for the financial year		(4,190,828)	(2,097,578)
Balance brought forward		(5,346,948)	(3,249,370)
Balance carried forward		<u>(9,537,776)</u>	<u>(5,346,948)</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

Balance sheet

	Note	2009 £	2008 £
Fixed assets			
Tangible assets	7	57,884	68,614
Investments	8	247	247
		<u>58,131</u>	<u>68,861</u>
Current assets			
Stocks	9	2,452,786	1,538,620
Debtors	10	2,471,794	1,641,193
Cash at bank		608,427	335,873
		<u>5,533,007</u>	<u>3,515,686</u>
Creditors: amounts falling due within one year	12	<u>(15,128,814)</u>	<u>(8,931,395)</u>
Net current liabilities		<u>(9,595,807)</u>	<u>(5,415,709)</u>
Total assets less current liabilities		<u>(9,537,676)</u>	<u>(5,346,848)</u>
Capital and reserves			
Called-up equity share capital	14	100	100
Profit and loss account		<u>(9,537,776)</u>	<u>(5,346,948)</u>
Shareholders' deficit	15	<u>(9,537,676)</u>	<u>(5,346,848)</u>

These financial statements were approved by the directors on 4/9/09 and are signed on their behalf by:



R V Patel
Director

Notes to the financial statements

1 Turnover

The turnover and loss before tax are attributable to the one principal activity of the company.
 An analysis of turnover is given below:

	2009 £	2008 £
United Kingdom	5,268,689	6,236,169
Western Europe	1,004,517	1,018,506
	<u>6,273,206</u>	<u>7,254,675</u>

2 Other operating charges

	2009 £	2008 £
Distribution costs	111,549	311,883
Administrative expenses	10,101,549	7,582,735
	<u>10,213,098</u>	<u>7,894,618</u>

3 Other operating income

	2009 £	2008 £
Other operating income	<u>67,552</u>	<u>65,756</u>

4 Operating loss

Operating loss is stated after charging/(crediting):

	2009 £	2008 £
Depreciation	10,730	2,381
Auditor's remuneration:		
Audit fees	15,000	15,000
Net gain on foreign currency translation	<u>(18,362)</u>	<u>(24,788)</u>

Auditor's remuneration for other services is disclosed in note 3 of the Consolidated IFRS financial statements for Goldshield Group plc, the ultimate parent undertaking.

Fees paid to Company's auditor, Grant Thornton UK LLP, and its associates for services other than statutory audit of the Company are not disclosed in Goldshield Limited's accounts since the consolidated accounts of Goldshield Group plc are required to disclose non-audit fees on a consolidated basis.

Notes to the financial statements

5 Directors and employees

All directors and employees of Goldshield Limited have been employed by Goldshield Management Services Limited. A proportion of the total salaries expense is recharged to Goldshield Limited based upon employee usage for the period.

6 Taxation on loss on ordinary activities

(a) Analysis of charge in the year

	2009 £	2008 £
Current tax:		
UK Corporation tax based on the results for the year at 28% (2008: 30%)	(1,496,808)	(793,555)
(Under)/over provision in prior year	(163,773)	15,496
Total current tax	<u>(1,660,581)</u>	<u>(778,059)</u>
Deferred tax:		
Movement during the year	(453)	20,042
	<u>(1,661,034)</u>	<u>(758,017)</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower (2008: higher) than the standard rate of corporation tax in the UK of 28% (2008: 30%).

	2009 £	2008 £
Loss on ordinary activities before taxation	(5,851,862)	(2,855,594)
Tax on ordinary activities by rate of tax	(1,638,521)	(856,678)
Adjustment to tax charge in respect of previous periods	(163,773)	15,496
Expenses not deductible for tax purposes	141,713	63,123
Total current tax (note 6(a))	<u>(1,660,581)</u>	<u>(778,059)</u>

Notes to the financial statements

7 Tangible fixed assets

	Plant & Equipment £
Cost	
At 1 April 2008	71,536
Additions	-
At 31 March 2009	<u>71,536</u>
Depreciation	
At 1 April 2008	2,922
Charge	10,730
At 31 March 2009	<u>13,652</u>
Net book value	
At 31 March 2009	<u>57,884</u>
At 31 March 2008	<u>68,614</u>

8 Investments

	2009 £	2008 £
Investments in Group undertakings at cost and net book value at 1 April 2008 and 31 March 2009	<u>247</u>	<u>247</u>

Investments represent a 0.03% holding in the equity of Complete Wellbeing Private Limited and 0.0034% in Goldshield Real Estate Private Limited, being companies incorporated in India.

9 Stocks

	2009 £	2008 £
Finished goods	<u>2,452,786</u>	<u>1,538,620</u>

10 Debtors

	2009 £	2008 £
Trade debtors	206,753	120,589
Amounts owed by group undertakings	771,573	817,268
Tax recoverable	1,425,626	630,786
Other taxation and social security	67,842	72,550
	<u>2,471,794</u>	<u>1,641,193</u>

Notes to the financial statements

11 Deferred taxation

	2009	2008
	£	£
The movement in the deferred taxation account during the year was:		
Balance brought forward	5,098	(14,944)
Other movement	(453)	20,042
Balance carried forward	<u>4,645</u>	<u>5,098</u>

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

	2009	2008
	£	£
Other timing differences	<u>4,645</u>	<u>5,098</u>

12 Creditors: amounts falling due within one year

	2009	2008
	£	£
Trade creditors	1,085,168	520,381
Amounts owed to group undertakings	12,175,356	7,563,807
Deferred taxation (note 11)	4,645	5,098
Accruals and deferred income	1,863,645	842,109
	<u>15,128,814</u>	<u>8,931,395</u>

13 Capital commitments

The company had no capital commitments at 31 March 2009 or 31 March 2008.

14 Share capital

Authorised share capital:

	2009	2008
	£	£
100,000,000 Ordinary shares of £1 each	<u>100,000,000</u>	<u>100,000,000</u>

Allotted and called up:

	2009		2008
	No	£	No
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>

Notes to the financial statements

15 Reconciliation of movements in shareholders' deficit

	2009	2008
	£	£
Loss for the financial year	(4,190,828)	(2,097,578)
Opening shareholders' equity deficit	(5,346,848)	(3,249,270)
Closing shareholders' equity deficit	<u>(9,537,676)</u>	<u>(5,346,848)</u>

16 Ultimate parent company

The directors consider that the ultimate parent undertaking and related controlling party of this company is Goldshield Group plc, which is registered in England and Wales, by virtue of its 100% shareholding in the company.

The largest group of undertakings for which group accounts have been drawn up is that headed by Goldshield Group plc. A copy of these accounts can be obtained at the No.1 Croydon, 12-16 Addiscombe Road, Croydon, CR0 0XT.

As a wholly owned subsidiary of Goldshield Group plc, the company is exempt from the requirements of Financial Reporting Standard No 8 'Related Party Disclosures' to disclose transactions with other members of the group headed by Goldshield Group plc.

Management information

**The following pages do not form part of the statutory financial statements
which are the subject of the independent auditor's report on pages 6 & 7.**

Profit and loss account

	2009 £	2008 £
Turnover	6,273,206	7,254,675
Cost of sales		
Other cost of sales direct costs	<u>(1,979,448)</u>	<u>(2,281,408)</u>
Gross profit	4,293,758	4,973,267
Overheads		
Distribution costs	(111,549)	(311,883)
Administrative expenses	<u>(10,101,549)</u>	<u>(7,582,735)</u>
	<u>(10,213,098)</u>	<u>(7,894,618)</u>
	(5,919,340)	(2,921,351)
Other operating income		
Other operating income	<u>67,522</u>	<u>65,756</u>
Operating loss	(5,851,818)	(2,855,595)
Bank interest payable	<u>(44)</u>	<u>-</u>
Loss on ordinary activities	<u>(5,851,862)</u>	<u>(2,855,595)</u>

Notes to the detailed profit and loss account

	2009 £	2008 £
Distribution costs		
Packaging materials	23,556	206,701
Other distribution costs	19,327	9,743
Freight and carriage	68,666	95,439
	<u>111,549</u>	<u>311,883</u>
Administrative expenses		
Personnel costs		
Wages and salaries	1,262,874	624,491
Employer's national insurance contributions	143,298	74,651
Staff pension contributions	47,879	28,929
	<u>1,454,051</u>	<u>728,071</u>
Establishment expenses		
Insurance	87,927	49,608
	<u>87,927</u>	<u>49,608</u>
General expenses		
Motor expenses	7,860	1,606
Travel and subsistence	72,167	48,288
Telephone	9,217	4,545
Office expenses	6,613	78
Printing, stationery and postage	1,270,458	1,237,218
Staff training	10,603	2,649
Staff welfare	39,066	1,227
Other staff-related expenses	79,347	31,438
Advertising	2,813,258	2,075,757
Promotions and commission on sales	74,674	24,369
Database selection	153,090	117,700
Entertaining	174	1,466
Donation	35,000	-
Stock write-off	373,731	564,800
Management charges payable	2,964,002	2,584,024
Legal and professional fees	533,897	41,847
Depreciation	10,730	2,381
	<u>8,453,887</u>	<u>6,739,393</u>
Carried forward	<u>9,995,865</u>	<u>7,517,072</u>

Notes to the detailed profit and loss account

	2009 £	2008 £
Administrative expenses (continued)		
Brought forward	9,995,865	7,517,072
 Financial costs		
Bad debts written-off	-	1,370
Provision for doubtful debts	18,573	3,065
Bank charges	68,749	86,016
Foreign currency gains	18,362	(24,788)
	<u>105,684</u>	<u>65,663</u>
	<u>10,101,549</u>	<u>7,582,735</u>
 Interest payable		
Bad debts written-off	44	-
	<u>44</u>	<u>-</u>