

Company Registration No: 3839722

BRAES HOLDINGS LIMITED

Report and Financial Statements

31 December 2008

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BRAES HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS

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BRAES HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A M Wainwright
F M Gaydier
D Lozano Lozano

SECRETARY

A G Hunter

REGISTERED OFFICE

Masters House
107 Hammersmith Road
London
W14 0QH

BANKERS

Bank of Scotland
39 Threadneedle Street
London
EC2B 2PS

AUDITORS

Deloitte LLP
Chartered Accountants
Nottingham

BRAES HOLDINGS LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2008.

The directors report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985.

PRINCIPAL ACTIVITY

The principal activity of the company is that of an intermediate holding company and expects to continue as an intermediate holding company in the future.

RESULTS, DIVIDENDS AND TRANSFERS TO RESERVES

The profit after taxation is £279,000 (2007: £619,000) as shown in the profit and loss account on 5.

The profit for the year is as a result of a reversal of the impairment in the Investment of Braes Group Limited due to the increase in that company's net asset position.

The directors do not recommend the payment of a dividend (2007: £Nil).

GOING CONCERN

The directors have considered the nature of the operations of the company and have prepared the financial statements on the going concern basis. The company has no liabilities at the year end, no expenditure expected in the forthcoming year and it has substantial net assets.

The directors have a reasonable expectation that the company has adequate resources to meet any obligations that may fall due and continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

DIRECTORS

The directors who served during the period were:

A M Wainwright

F M Gaydier (appointed 19 June 2008)

D Lozano Lozano (appointed 18 June 2009)

H Monzo Oltra (resigned 19 June 2008)

J V Pons Andreu (resigned 19 June 2008)

F Gregori Bohigues (resigned 18 June 2009)

BRAES HOLDINGS LIMITED

DIRECTORS' REPORT

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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.

AUDITORS

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

(1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and

(2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Deloitte LLP have expressed their willingness to continue in office as auditors of the company.

Approved by the Board of Directors
and signed on behalf of the Board



AM WAINWRIGHT

Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRAES HOLDINGS LIMITED

We have audited the financial statements of Braes Holdings Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet and the related notes 1 to 12. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom 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 Directors' Report 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 other transactions is not disclosed.

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

Basis of audit opinion

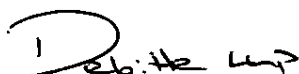
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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.

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 December 2008 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information contained in the directors' report is consistent with the financial statements.



Deloitte LLP

Chartered Accountants and Registered Auditors

Nottingham, UK

29 October 2009

BRAES HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT **Year ended 31 December 2008**

	Note	2008 £'000	2007 £'000
Other administrative expenses		(1)	(7)
Reversal of impairment	5	<u>280</u>	<u>626</u>
TOTAL ADMINISTRATIVE EXPENSES BEING OPERATING PROFIT AND PROFIT ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION	2, 9, 10	<u>279</u>	<u>619</u>

There are no recognised gains and losses for the current financial year and preceding financial year other than as stated in the profit and loss account above, accordingly no statement of total recognised gains and losses has been presented.

All results derive from continuing operations.

BRAES HOLDINGS LIMITED

BALANCE SHEET 31 December 2008

	Note	2008 £'000	2007 £'000
FIXED ASSETS			
Investment in subsidiary undertakings	5	<u>928</u>	<u>648</u>
CURRENT ASSETS			
Debtors	6	105	107
CREDITORS: amounts falling due within one year	7	<u>-</u>	<u>(1)</u>
NET CURRENT ASSETS		<u>105</u>	<u>106</u>
NET ASSETS		<u>1,033</u>	<u>754</u>
CAPITAL AND RESERVES			
Called up share capital	8	350	350
Share premium	9	706	706
Profit and loss account	9	<u>(23)</u>	<u>(302)</u>
SHAREHOLDERS' FUNDS	10	<u>1,033</u>	<u>754</u>

The financial statements were approved by the Board of Directors and authorised for issue on 28 October 2009.

Signed on behalf of the Board of Directors



A M WAINWRIGHT
Director

COMPANY NUMBER 3839722

BRAES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 December 2008

1. ACCOUNTING POLICIES

The financial statements are prepared on a going concern basis under the historical cost convention, the accounting policies set out below and in accordance with applicable United Kingdom accounting standards.

The company is exempt from the requirement to prepare consolidated accounts as the company is included within the consolidated accounts of Natraceutical S.A., the ultimate parent undertaking (s228 CA 1985).

A summary of the major accounting policies, which have been consistently applied is set out below.

Cash flow statement

The company is a wholly owned subsidiary of Natraceutical S.A., a company incorporated in Spain. Accordingly, the company has taken advantage of the exemption under the terms of Financial Reporting Standard No. 1 (revised) not to publish a cash flow statement.

Investments

Fixed asset investments are shown at cost less provision for impairment. Income is included in the accounts in the period in which it is receivable.

Taxation

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 taxation 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 profits and its accounting profits arising from gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax assets are regarded as recoverable and recognised in the financial statements when, on the basis of available evidence, it is more likely than not that there will be suitable profits from which future reversal of the timing differences can be deducted. The deferred tax assets and liabilities are not discounted.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Loss on ordinary activities before taxation is stated after charging:	2008 £'000	2007 £'000
Auditors' remuneration – annual audit services	-	1
Non-audit services – taxation	1	6
	<u>1</u>	<u>7</u>

Auditors' remuneration of £1,500 is borne by a fellow subsidiary undertaking.

BRAES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS **31 December 2008**

3. DIRECTORS AND EMPLOYEES

The company does not have any employees (2007: Nil) and the directors received no remuneration (2007: Nil).

The directors are remunerated by other group companies and it is not practicable to allocate their remuneration to the company.

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2008	2007
	£'000	£'000
United Kingdom corporation tax at 28.5% (2007: 30%)	-	-

The tax charge for the period is different from that resulting from applying the standard rate of corporation tax in the UK. The differences are explained below:

	2008	2007
	£'000	£'000
Profit on ordinary activities before tax	279	619
UK corporation tax at 28.5% (2007:30%)	80	186
Effects of:		
Items not subject to tax	(80)	(186)
	-	-

BRAES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 December 2008

5. FIXED ASSET INVESTMENTS

	Investments in subsidiary undertakings £'000
Cost	
At 1 January 2008 and 31 December 2008	928
Impairment	
At 1 January 2008	280
Reversal of impairment	(280)
At 31 December 2008	-
Net book value	
At 31 December 2008	928
At 31 December 2007	648

The investment represents 100% of the ordinary issued share capital of Braes Group Limited, a company incorporated in the United Kingdom.

During 2008 an impairment review was carried out and an adjustment posted to the profit and loss account to reverse impairment losses previously recognised due to the increase in net assets of Braes Group Limited.

6. DEBTORS

Amounts due within one year:	2008 £'000	2007 £'000
Amounts owed by group undertakings	105	107

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £'000	2007 £'000
Accruals and deferred income	-	1

BRAES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 December 2008

8. CALLED UP SHARE CAPITAL

	2008 £'000	2007 £'000
Authorised,		
1,250,000 ordinary shares of 20p each	250	250
5,000,000 ordinary 'A' shares of 2p each	100	100
	<u> </u>	<u> </u>
Called up, allotted and fully paid		
1,250,000 ordinary shares of 20p each	250	250
5,000,000 ordinary 'A' shares of 2p each	100	100
	<u> </u>	<u> </u>

The rights attached to the 'A' ordinary shares of 2p each are summarized below:

- In relation to any issue of shares, dividend or other distribution, return of assets or other reduction of capital, each share shall be treated as having the same nominal value as the 20p ordinary shares;
- Payment of a dividend requires agreement in writing by holders of 75% of the 'A' ordinary shares;
- On a return of capital: 'A' ordinary shareholders are entitled to priority payment of 16 pence per share and any arrears of dividends; ordinary shareholders are then to be paid 20 pence per share; and the balance is then to be divided between the two types of ordinary shares in proportion to the amount paid up;
- Generally each 'A' ordinary share carries one vote whereas each ordinary share carries three votes.

9. RESERVES

	Share premium account £'000	Profit and loss account £'000	Total reserves £'000
At 1 January 2008	706	(302)	404
Profit for the year	-	279	279
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2008	706	(23)	683
	<u> </u>	<u> </u>	<u> </u>

10. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2008 £'000	2007 £'000
Retained profit for the year	279	619
Opening shareholders' funds	754	135
	<u> </u>	<u> </u>
Closing shareholders' funds	1,033	754
	<u> </u>	<u> </u>

BRAES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS **31 December 2008**

11. ULTIMATE PARENT COMPANY

The company's immediate parent company is Natraceutical S.A., a company incorporated in Spain. The company's ultimate parent company and controlling party is Natra S.A., a company incorporated in Spain.

The smallest group of which Braes Holdings Limited is a member and for which group accounts are prepared is that headed by Natraceutical S.A. The largest group of which Braes Holdings Limited is a member and for which group accounts are prepared is that headed by Natra S.A..

The consolidated accounts for Natraceutical S.A. and Natra S.A. are available to the public and may be obtained from Natraceutical S.A., Plaza America, 2 Planta 10, 46004 Valencia, Spain and Natra S.A., Autovia A-3, Salida 343, s/n 46930 Quart de Poblet, Valencia, Spain.

12. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption granted by paragraph 3(c) of Financial Reporting Standard No. 8 not to disclose related party transactions with group companies.