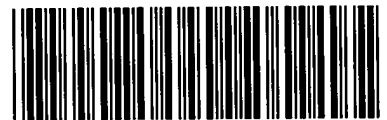


Financial Statements

Natural Balance Foods Limited

For the year ended 31 March 2015

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COMPANIES HOUSE

Registered number: 05083700

Natural Balance Foods Limited

Company Information

Directors

C J Combs
R Porter Smith
G Combs

Company secretary

P F O'Grady

Registered number

05083700

Registered office

Unit 10 Wornal Park
WORMINGHALL
Buckinghamshire
HP18 9PH

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
1020 Eskdale Road
IQ Winnersh
WOKINGHAM
Berkshire
RG41 5TS

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Strategic report

For the year ended 31 March 2015

Introduction

Natural Balance Foods Limited has been in the forefront of delivering healthy snack food options primarily to the British Retail and Wholesale market. We design, market and sell under the N?kd and JC's Trek brands a wide range of snack bars and flavor infused raisins to most UK based retail grocery, convenience and health food distributors. The primary objective to is deliver wholefood alternatives that taste great.

Business review

The company has experienced remarkable growth since inception and during this period.

The company has experienced sales growth from £13,299,578 to £22,247,443 during this period.

Growth has come from existing accounts experiencing increasing Rate of Sale (ROI), new listings, new products and new accounts.

Principal risks and uncertainties

The company is exposed to many of the same financial risks as any other company or food company; a reduction in sales, customer default, rising product costs and recall.

Our structure of third party manufacturing helps to mitigate many of the production associated risks. Production agreements help to defer the immediate effects of commodity related spikes and permits management some time to mitigate these risks with product changes, and encouraging third party manufacturers to purchase on long nut, date, and packaging contracts. Each of our third party manufacturers have a Supply Agreement in place requiring, amongst other things, ingredient checks, production standards and Quality Control.

Our credit terms to customers is rather strict with any and all credit requests requiring three orders paid on time prior to credit consideration; then is only extended upon HSBC approval. During this period of time we have expanded our Insurance Coverage and Product Recall Insurance.

Credit Risk

The Company's principal financial assets are cash and trade debtors. The principle credit risk arises from its trade debtors, each checked with our bank and regularly reviewed in conjunction with aged debt.

Cash Flow Risks

The Company seeks to manage risks to ensure sufficient liquidity to meet foreseeable needs. It does not invest in any non company related assets. Considerable time and effort has been expended during the last six months of this period to better-forecast future demand via COGNOS, which shall next year, tie in with a proper cash flow mechanic

Currency Risk

The Company was not exposed to material currency fluctuations. A small proportion of our sales are conducted or exposed in Canadian Dollars, US Dollars and Euro's. Most of our third party manufacturers are exposed to world commodity price fluctuations in British Pounds relating to Dates, nuts and packaging.

Customer Risk

The Company has a diverse customer base and continues to make sales to new customers. It has a relatively high level of customer concentration. Recently the level of concentration has reduced.

Strategic report (continued)

For the year ended 31 March 2015

Financial key performance indicators

Our key performance indicators are:

	2015	2014
Sales	67.2%	76.9%
Gross Profit	36.0%	36.1%
Net Profit	9.4%	10.1%

Sales Growth

The last 12 months have seen Natural Balances Foods Limited grow at an astonishing rate, this is due to incredibly strong growth in all of our sales categories, particularly the Grocery sector. Overall the growth is underpinned by a mainstream shift towards healthy eating.


Gross Profit

Gross profit has been retained by the strong sales margin throughout.

Net Profit

Net profit has been retained by management maintaining a strong ethos in controlling overheads without it impacting the growth of the company.

This report was approved by the board and signed on its behalf.



G. Combs
Director

Date:

August 13, 2015

Directors' report

For the year ended 31 March 2015

The directors present their report and the financial statements for the year ended 31 March 2015.

Principal activities

The principal activity of the company was the sale of nutritional based snack bars.

Directors

The directors who served during the year were:

C J Combs

R Porter Smith

G Combs (appointed 12 August 2015)

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

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

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

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

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Natural Balance Foods Limited

Directors' report

For the year ended 31 March 2015

This report was approved by the board and signed on its behalf.

A handwritten signature in black ink, appearing to read 'G Combs', with a stylized, looped structure.

G Combs
Director

Date:

August 13, 2015

Independent auditor's report to the members of Natural Balance Foods Limited

We have audited the financial statements of Natural Balance Foods Limited for the year ended 31 March 2015, which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Independent auditor's report to the members of Natural
Balance Foods Limited

Grant Thornton UK LLP

Jim Rogers (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Reading
Date:

13 August 2015

Profit and loss account

For the year ended 31 March 2015

	Note	2015 £	2014 £
Turnover	1,2	22,247,443	13,299,578
Cost of sales		<u>(14,234,473)</u>	<u>(8,496,134)</u>
Gross profit		8,012,970	4,803,444
Administrative expenses		<u>(5,904,185)</u>	<u>(3,459,445)</u>
Operating profit	3	2,108,785	1,343,999
Interest payable and similar charges	6	<u>(7,409)</u>	<u>(1,291)</u>
Profit on ordinary activities before taxation		2,101,376	1,342,708
Tax on profit on ordinary activities	7	<u>(448,061)</u>	<u>(283,520)</u>
Profit for the financial year	16	<u>1,653,315</u>	<u>1,059,188</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and loss account.

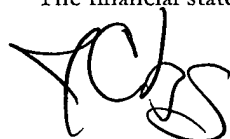
The notes on pages 9 to 17 form part of these financial statements.

Balance sheet

As at 31 March 2015

	Note	£	2015 £	£	2014 £
Fixed assets					
Tangible assets	8		354,901		266,277
Investments	9		5,573		5,573
			<u>360,474</u>		<u>271,850</u>
Current assets					
Stocks	10	2,445,229		1,732,531	
Debtors	11	5,408,281		3,369,780	
Cash at bank		273,084		399,810	
		<u>8,126,594</u>		<u>5,502,121</u>	
Creditors: amounts falling due within one year	12	(4,568,607)		(3,855,871)	
Net current assets			<u>3,557,987</u>		<u>1,646,250</u>
Total assets less current liabilities			<u>3,918,461</u>		<u>1,918,100</u>
Creditors: amounts falling due after more than one year	13		(595,162)		(7,163)
Provisions for liabilities					
Deferred tax	14		(54,774)		(49,201)
Net assets			<u><u>3,268,525</u></u>		<u><u>1,861,736</u></u>
Capital and reserves					
Called up share capital	15		1,176		1,176
Share premium account	16		299,824		299,824
Profit and loss account	16		2,967,525		1,560,736
Shareholders' funds	17		<u><u>3,268,525</u></u>		<u><u>1,861,736</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



G Combs
Director

Date:

13 August 2015

The notes on pages 9 to 17 form part of these financial statements.

Notes to the financial statements

For the year ended 31 March 2015

1. Accounting policies

1.1 Basis of preparation of financial statements

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

The company has taken advantage of the exemption from the requirement to prepare group accounts under s402 of the Companies Act 2006 on the grounds that the inclusion of the subsidiary is not material for the purposes of giving a true and fair view. The financial statements present information about the company as an individual undertaking and not about its group.

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Revenue is recognised when goods are dispatched.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Land and buildings	-	No charge
Plant and machinery	-	15% reducing balance
Motor vehicles	-	25% straight line

1.4 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.5 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.6 Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

Notes to the financial statements

For the year ended 31 March 2015

1. Accounting policies (continued)

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.

1.9 Foreign currencies

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.

Exchange gains and losses are recognised in the profit and loss account.

2. Turnover

The whole of the turnover is attributable to the sale of nutritional based snack bars.

A geographical analysis of turnover is as follows:

	2015	2014
	£	£
United Kingdom	20,929,978	12,497,123
Rest of world	1,317,465	802,455
	<u>22,247,443</u>	<u>13,299,578</u>

Notes to the financial statements

For the year ended 31 March 2015

3. Operating profit

The operating profit is stated after charging/(crediting):

	2015	2014
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	55,873	35,201
- held under finance leases	11,912	2,857
Auditor's remuneration	18,500	12,500
Operating lease rentals:		
- other operating leases	28,459	26,740
Difference on foreign exchange	1,380	158
	<u>185,124</u>	<u>87,456</u>

4. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2015	2014
	£	£
Wages and salaries	1,150,855	729,009
Social security costs	136,412	75,682
	<u>1,287,267</u>	<u>804,691</u>

The average monthly number of employees, including the directors, during the year was as follows:

2015	2014
No.	No.
26	20
<u>26</u>	<u>20</u>

5. Directors' remuneration

	2015	2014
	£	£
Remuneration	173,875	120,500
	<u>173,875</u>	<u>120,500</u>

The highest paid director received remuneration of £173,875 (2014 - £120,500).

Notes to the financial statements

For the year ended 31 March 2015

6. Interest payable

	2015	2014
	£	£
On bank loans and overdrafts	1,525	-
On finance leases and hire purchase contracts	5,884	1,291
	<u>7,409</u>	<u>1,291</u>

7. Taxation

	2015	2014
	£	£
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	442,488	261,209
Deferred tax (see note 14)		
Origination and reversal of timing differences	5,573	22,311
Tax on profit on ordinary activities	<u>448,061</u>	<u>283,520</u>

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2014 - the same as) the standard rate of corporation tax in the UK of 21% (2014 - 23%) as set out below:

	2015	2014
	£	£
Profit on ordinary activities before tax	<u>2,101,376</u>	<u>1,342,708</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2014 - 23%)	441,289	308,823
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	194	129
Capital allowances for year in excess of depreciation	(7,663)	(24,982)
Fixed asset differences	985	267
Adjustments to tax charge in respect of prior periods	(880)	-
Additional deduction for R&D expenditure	-	(23,907)
Other differences leading to an increase (decrease) in the tax charge	8,563	879
Current tax charge for the year (see note above)	<u>442,488</u>	<u>261,209</u>

Notes to the financial statements

For the year ended 31 March 2015

8. Tangible fixed assets

	Land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 April 2014	2,548	331,598	27,236	361,382
Additions	-	108,179	47,648	155,827
At 31 March 2015	2,548	439,777	74,884	517,209
Depreciation				
At 1 April 2014	-	67,869	27,236	95,105
Charge for the year	-	55,291	11,912	67,203
At 31 March 2015	-	123,160	39,148	162,308
Net book value				
At 31 March 2015	2,548	316,617	35,736	354,901
At 31 March 2014	2,548	263,729	-	266,277

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2015 £	2014 £
Motor vehicles	45,341	11,300

9. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2014 and 31 March 2015	5,573
Net book value	
At 31 March 2015	5,573
At 31 March 2014	5,573

Notes to the financial statements

For the year ended 31 March 2015

9. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Natural Balance Foods Inc	Ordinary	100%

The aggregate of the share capital and reserves as at 31 March 2015 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Natural Balance Foods Inc	(52,485)	(95,500)

10. Stocks

	2015 £	2014 £
Raw materials	110,546	-
Finished goods and goods for resale	2,334,683	1,732,531
	<u>2,445,229</u>	<u>1,732,531</u>

11. Debtors

	2015 £	2014 £
Trade debtors	4,300,521	2,840,191
Amounts owed by group undertakings	272,321	62,206
Prepayments and accrued income	835,439	467,383
	<u>5,408,281</u>	<u>3,369,780</u>

Notes to the financial statements

For the year ended 31 March 2015

12. Creditors: Amounts falling due within one year

	2015	2014
	£	£
Net obligations under finance leases and hire purchase contracts	6,037	3,288
Trade creditors	2,491,068	2,060,419
Corporation tax	419,082	260,607
Other taxation and social security	203,657	65,023
Proceeds of factored debts	1,292,112	1,353,756
Other creditors	9,873	-
Accruals and deferred income	146,778	112,778
	<u>4,568,607</u>	<u>3,855,871</u>

The invoice discounting facility is secured against trade debtors.

13. Creditors: Amounts falling due after more than one year

	2015	2014
	£	£
Bank loans	552,212	-
Net obligations under finance leases and hire purchase contracts	42,950	7,163
	<u>595,162</u>	<u>7,163</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2015	2014
	£	£
Between one and five years	<u>42,950</u>	<u>7,163</u>

14. Deferred taxation

	2015	2014
	£	£
At beginning of year	49,201	26,890
Charge for year (P&L)	5,573	22,311
At end of year	<u>54,774</u>	<u>49,201</u>

The provision for deferred taxation is made up as follows:

	2015	2014
	£	£
Accelerated capital allowances	<u>54,774</u>	<u>49,201</u>

Notes to the financial statements

For the year ended 31 March 2015

15. Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
1,176 Ordinary shares shares of £1 each	<u>1,176</u>	<u>1,176</u>

16. Reserves

	Share premium account £	Profit and loss account £
At 1 April 2014	299,824	1,560,736
Profit for the financial year		1,653,315
Dividends: Equity capital		(246,526)
At 31 March 2015	<u>299,824</u>	<u>2,967,525</u>

17. Reconciliation of movement in shareholders' funds

	2015 £	2014 £
Opening shareholders' funds	1,861,736	1,052,669
Profit for the financial year	1,653,315	1,059,188
Dividends (Note 18)	(246,526)	(250,121)
Closing shareholders' funds	<u>3,268,525</u>	<u>1,861,736</u>

18. Dividends

	2015 £	2014 £
Dividends paid on equity capital	<u>246,526</u>	<u>250,121</u>

19. Contingent liabilities

The company had no contingent liabilities as at 31 March 2015 or 31 March 2014.

20. Capital commitments

The company had no capital commitments at 31 March 2015 or at 31 March 2014.

Notes to the financial statements

For the year ended 31 March 2015

21. Operating lease commitments

At 31 March 2015 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2015	2014
	£	£
Expiry date:		
Within 1 year	6,037	-
Between 2 and 5 years	35,442	8,544
After more than 5 years	-	2,628
	=====	=====

22. Related party transactions

The company had no related party transactions during the year 31 March 2015 or during the year 31 March 2014.

23. Controlling party

There is no ultimate controlling party.