REGISTERED NUMBER 06576189

NATURAL WELLBEING LIMITED

Report and Financial Statements

Year ended 31 December 2021

NATURAL WELLBEING LIMITED

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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NATURAL WELLBEING LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J D Amery
E L Ellis

COMPANY SECRETARY

J D Amery

REGISTERED OFFICE

1 Hedera Road
Ravensbank Business Park
Redditch
B98 9EY

BANKERS

Barclays Bank Plc
15 Colmore Row
Birmingham
B3 2BH

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Donington Court
Pegasus Business Park
Castle Donington
East Midlands
DE74 2UZ

DIRECTORS' REPORT

The directors have pleasure in presenting their report and the audited financial statements of Natural Wellbeing Limited for the year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The principal activity of the Company in the year was the distribution of natural health care products.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

Natural Wellbeing Limited manages a portfolio of consumer focussed brands, including VitPlus+ and Vertese.

These brands deliver unique products to targeted market sectors and geographies, and have required significant investment to build brand equity.

The Company has worked to minimise the disruptive impact of COVID-19. A number of measures were taken early to ensure we could continue to operate in a safe and sustainable manner. Supply chain risks have been well managed, and the business has kept trading in line with expectations despite the operational inefficiencies that have necessarily been introduced. The increase in revenue in 2021 was anticipated given the phasing of orders with key customers.

The Company will continue to focus on the same principal activities in future years.

PRINCIPAL RISKS AND UNCERTAINTIES

All businesses face a range of risks and uncertainties, being subject to risk factors from internal and external sources. Natural Wellbeing Limited participates in a regular risk assessment that uses a framework encompassing a range of risk factors: operational, financial, strategic, environmental, political, social, economic, and technological. The likelihood and significance of risk factors are considered when putting in place risk management procedures to ensure risk mitigation. Given the size of the Company's operations and how it is funded through a fellow group company, no significant risks have been identified. The impact of COVID-19 has been carefully considered when reviewing significant risk factors.

KEY PERFORMANCE INDICATORS

Natural Wellbeing Limited uses a number of key performance indicators (KPIs) to assess performance and progress against strategic objectives. The most important of these KPIs are sales and operating profit or losses.

	2021	***2020***
Revenue	***£1,220,000***	***£768,000***
Profit from operations	***£551,000***	***£335,000***

RESULTS

The profit after tax for the year was £458,000 (2020: £280,000).

DIVIDEND

The directors do not recommend payment of a dividend for the year (2020: £nil). Total equity was £226,000 (2020: -£232,000)

DIRECTORS AND DIRECTORS' INTERESTS

The directors who served throughout the year and up to the date of signing of the financial statements are as follows:

J D Amery
E L Ellis

Their interests (including the interests of connected parties) at the year end in the share capital of the Company were nil.

A qualifying third-party indemnity provision, as defined in section 234 of the Companies Act 2006, is currently in place and was in force through the year. The Company has purchased and maintained directors' and officers' liability insurance in respect of itself and its directors throughout the year and it is current at the date of approval of the financial statements.

None of the directors had an interest in a contract of significance to which the Company was a party during the year.

DIRECTORS' REPORT

COMPANY POLICY ON THE PAYMENT OF CREDITORS

Payments are made within the terms established with suppliers, provided that the supplier is also complying with all relevant terms and conditions. The number of days' purchases outstanding at 31 December 2021 is nil (2020: 4).

GOING CONCERN

The Company is dependent upon continuing financial assistance being made available by a fellow group company, BioCare Limited, to enable it to continue operating and meeting its liabilities as they fall due. This finance and support is available for a period of at least twelve months after the date of approval of these financial statements. The directors believe that it is therefore appropriate to prepare financial statements on a going concern basis.

POLITICAL AND CHARITABLE DONATIONS

There were no charitable or political donations during this or prior year.

FINANCIAL INSTRUMENTS

Information on the Company's financial instruments is disclosed in note 14 to the financial statements.

DISCLOSURE OF INFORMATION TO THE INDEPENDENT AUDITORS

At the date of making this report each of the Company's directors, as set out on page 1, confirm the following:

- so far as each director is aware, there is no relevant information needed by the Company's auditors in connection with preparing their report of which the Company's auditors are unaware, and
- each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

INDEPENDENT AUDITORS

The directors have resolved to reappoint PricewaterhouseCoopers LLP as the Company's auditors.

This report has been prepared in accordance with the provisions applicable to small companies entitled to the small companies regime. In accordance with Section 414B of the Companies Act 2006, the directors have taken the exemption from preparing a strategic report.

On behalf of the Board

J D Amery
Director
10 June 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with UK-adopted International Accounting Standards.

Under company law 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted International Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

On behalf of the Board

J D Amery
Director
10 June 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NATURAL WELLBEING LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion, Natural Wellbeing Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2021; the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NATURAL WELLBEING LIMITED

Reporting on other information (continued)

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fraudulent transactions that increase revenue and profits. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Identifying and testing journals entries posted with unexpected account combinations in relation to revenue or profits;
- Challenging assumptions and judgement made by management in determining their significant accounting estimates, in particular in relation to provisions for impairment of trade receivables.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NATURAL WELLBEING LIMITED

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

David Teager (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands
10 June 2022

STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2021

	Note	2021 £'000	2020 £'000
REVENUE	4	1,220	768
Cost of sales		(576)	(358)
Gross profit		644	410
Administrative expenses		(93)	(75)
PROFIT FROM OPERATIONS	7	551	335
Finance costs	5	(10)	(21)
PROFIT BEFORE TAX		541	314
Taxation	6	(83)	(34)
PROFIT FOR THE YEAR	16	458	280
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		458	280

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2021 **Company No. 06576189**

	Note	2021 £'000	2020 £'000
ASSETS			
Non-current assets			
Intangible assets	9	20	23
Property, plant and equipment	10	-	-
		20	23
Current assets			
Inventories	11	129	9
Trade and other receivables	12	595	130
Cash and cash equivalents	13	29	29
		753	168
Total assets		773	191
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	15	-	-
Retained earnings / (accumulated losses)	16	226	(232)
Total equity		226	(232)
Current liabilities			
Trade and other payables	17	537	383
Current tax liabilities		10	40
Total liabilities		547	423
Total equity and liabilities		773	191

The financial statements on pages 8 to 28 were approved and authorised for issue by the Board of Directors on 10 June 2022 and are signed on its behalf by:

J D Amery

Director

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2021

	Note	Share capital £'000	(Accumulated losses) / retained earnings £'000	Total £'000
At 1 January 2020		-	(512)	(512)
Profit and total comprehensive income for the year	16	-	280	280
At 31 December 2020 and 1 January 2021		-	(232)	(232)
Profit and total comprehensive income for the year	16	-	458	458
At 31 December 2021		-	226	226

STATEMENT OF CASH FLOWS

Year ended 31 December 2021

	Note	2021 £'000	2020 £'000
OPERATING ACTIVITIES			
Cash receipts from customers		570	1,566
Cash paid to suppliers and employees		(454)	(677)
Cash generated from operations	18	116	889
Income taxes paid		(113)	(45)
Interest paid		(1)	-
Net cash generated from operating activities		2	844
INVESTING ACTIVITIES			
Payments for intangible assets		(2)	(1)
Net cash used in investing activities		(2)	(1)
FINANCING ACTIVITIES			
Cash paid to Group companies		-	(945)
Net cash used in financing activities		-	(945)
Net decrease in cash and cash equivalents	19	-	(102)
Cash and cash equivalents at beginning of the year	19	29	131
Cash and cash equivalents at the end of the year	19	29	29

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

1. GENERAL INFORMATION

Natural Wellbeing Limited (the Company) is a private limited company limited by shares domiciled, registered and incorporated in England. The addresses of its registered office and principal place of business are disclosed in the introduction to the Report and Financial Statements. The principal activities of the Company are described in note 4.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards, and the accounting policies have been consistently applied, other than where new accounting policies have been adopted.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

Going concern

The Company is dependent upon continuing financial assistance being made available by a fellow group company, BioCare Limited, to enable it to continue operating and meeting its liabilities as they fall due. This finance and support is available for a period of at least twelve months after the date of approval of these financial statements. The directors believe that it is therefore appropriate to prepare financial statements on a going concern basis.

Functional and Presentation Currencies

The financial statements are presented in sterling which is also the functional currency of the Company.

Revenue Recognition

Revenue is recognised when control of product, and therefore the risk of obsolescence and loss, has been transferred by delivery to, or collection, the customer. At this point there are no unfulfilled obligations that could affect the customer's acceptance of the products in line with the sales contract, or the Company has confirmed that all acceptance criteria are satisfied.

Where retrospective volume discounts are agreed with customers, revenue is recognised net of the estimated discount using the expected value method. The liabilities for discounts payable are held in trade and other payables and no element of financing is deemed present on sales as credit terms offered are consistent with market practice.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Taxation

The taxation expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Intangible assets

Intangible assets, being website costs, computer software and trademarks, are stated at cost less accumulated amortisation. Amortisation is charged on a straight line basis over the estimated useful life of 10 years for website and computer software costs and 20 years for trademarks and is included within administrative expenses.

Property, plant and equipment

Plant, machinery and office equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives using the straight-line method and is included within administrative expenses. The estimated useful lives, residual values and depreciation methods are reviewed at each period end, with the effect of any changes in estimate accounted for on a prospective basis.

The following rates are used for depreciation of leasehold improvements, plant, machinery & office equipment:

Plant, machinery and office equipment	Between 3 and 10 years straight line

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

Impairment of intangible assets

At each reporting date, the Company reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior periods. A reversal of an impairment loss is recognised immediately in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories are stated at the lower of cost, being the cost of purchase and other costs in bringing the inventories to their current location, and net realisable value. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Financial instruments

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

i) Financial Assets

The classification depends on the purpose for which the financial assets were acquired and on the Company's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets at initial recognition under the following categories:

(a) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVOCI) comprise:

- Equity securities which are not held for trading, and which the company has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the company considers this classification to be more relevant.

- Debt securities where the contractual cash flows are solely principal and interest and the objective of the company's business model is achieved both by collecting contractual cash flows and selling financial assets.

(b) Financial assets at amortised cost

The company classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets at amortised cost comprise cash and cash equivalents, amounts receivable from the sale of goods, and amounts due from Group companies

(c) Financial assets at fair value through profit or loss

The following financial assets are classified at fair value through profit or loss (FVPL):

- debt investments that do not qualify for measurement at either amortised cost (see notes (a) and (b) above)
- equity investments that are held for trading, and
- equity investments for which the Company has not elected to recognise fair value gains and losses through Other Comprehensive Income (OCI).

Initial recognition and measurement

Purchases and sales of financial assets are recognised on trade date (that is, the date on which the company commits to purchase or sell the asset).

All financial assets are recognised initially at fair value.

Subsequent measurement

Subsequent measurement of financial instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent measurement (continued)

(a) Financial assets at fair value through other comprehensive income

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in the statement of comprehensive income.

When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of comprehensive income and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest method. Foreign exchange gains and losses are presented in other gains/(losses), and impairment expenses are presented as a separate line item in the statement of comprehensive income.

(b) Financial assets at amortised cost

Assets held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest method. Any gain or loss arising on derecognition is recognised directly in the statement of comprehensive income and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of comprehensive income.

(c) Financial assets at fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in the statement of comprehensive income and presented net within other gains/(losses) in the period in which it arises.

Subsequent measurement of all equity investments is at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to the statement of comprehensive income following the derecognition of the investment. Dividends from such investments continue to be recognised in the statement of comprehensive income as other income when the company's right to receive payments is established.

At 31 December 2021, the company's financial assets include cash at bank and in hand, amounts owed by company undertakings, debtors and other receivables.

Trade receivables

Trade receivables are amounts from customers for goods sold or services performed in the ordinary course of business. They are on average due for settlement within 90 days and therefore are all classified as current. Trade receivables are initially recognised at the amount of consideration that is unconditional unless they contain significant financing components when they are recognised. The company holds trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the group's impairment policies and the calculation of the loss allowance are provided in note 14.

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

Other receivables

These amounts generally arise from transactions outside the usual operating activities of the company. The other receivables are due and payable within one year from the end of the reporting period. Some of the other receivables are settled by receiving a service or goods.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derecognition of financial assets

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership.

ii) Financial Liabilities and equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Trade payables

Trade payables classified as other liabilities, are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Share capital

Ordinary shares issued by the Company are classified as equity and recorded at fair value on initial recognition received net of direct issue costs.

Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, which it is probable will result in an outflow of economic benefits that can be reliably estimated. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the statement of financial position date, and are discounted to present value where the effect is material.

Derecognition of financial liabilities

A liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

Foreign Currencies

Transactions in currencies other than functional currency of the Company are initially recorded at the exchange rate prevailing on the dates of the transaction. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the exchange rate prevailing at the reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in profit or loss for the period.

New and amended standards and interpretations adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2021:

- Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. The Company does not have instruments which refer to LIBOR and is therefore not impacted;
- Covid-19-Related Rent Concessions beyond 30 June 2021: Amendments to IFRS 16. The Company does not have any lease arrangements where rent concessions arising from Covid-19 have been granted.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Other

There are no other amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2021 have had a material impact on the company.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New standards and interpretations that are not yet effective and have not been early adopted by the Company

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Company. These are not expected to have a material impact on the Company in the current or future reporting periods based on foreseeable future transactions.

3. 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. Revision 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.

There are no areas of judgement which require disclosure.

4. REVENUE

The whole of the revenue is attributable to the one principal activity of the Company being the sale and distribution of nutraceutical products. For management purposes, all results are reported as part of this single activity.

An analysis of the Company's revenue is as follows:

	2021 £'000	2020 £'000
Sale of goods	1,220	768

An analysis of the Company's geographical revenue is as follows:

	2021 £'000	2020 £'000
UK	47	89
Europe	19	23
Rest of World	1,154	656
	1,220	768

5. FINANCE COSTS

	2021 £'000	2020 £'000
Finance charges	1	-
Interest payable to Group companies	9	21
	10	21

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2021

6. TAXATION

	2021 £'000	2020 £'000
Current tax expense for the year	83	34

Tax is calculated at 19% (2020: 19%) of the estimated assessable profit for the year.

The total charge for the year can be reconciled to the accounting profit as follows:

	2021 £'000	%	2020 £'000	%
Profit before tax	541		314	
Tax at the corporation tax rate of 19% (2020: 19%)	103	19.0	60	19.0
Tax effect of difference between non-deductible expenses and capital allowances	-	-	(1)	(0.3)
Over provision in prior year	-	-	(6)	(1.9)
Tax effect of group relief	(20)	(3.7)	-	-
Tax losses utilised	-	-	(19)	(6.0)
Tax expense and effective tax rate for the year	83	15.3	34	10.8

On 10 June 2021 the UK Parliament substantively enacted the Finance Act 2021, including an increase of the UK corporation tax rate from 19% to 25% effective from 1 April 2023.

7. PROFIT FROM OPERATIONS

	2021 £'000	2020 £'000
Profit from operations has been arrived at after charging:		
Amortisation of intangible assets	5	5
Cost of inventories recognised as expense	575	358
Fees payable to the Company's auditors and its associates in respect of both audit and non-audit services:		
Audit services – Statutory audit of financial statement	12	12
Other services – Taxation services	3	3
Other expenses	74	55
Total cost of sales and administrative expenses	669	433

8. STAFF COSTS

There were no employees or staff costs during the year or prior year, with staff costs being borne by a fellow group undertaking BioCare Limited.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2021

9. INTANGIBLE ASSETS

2021	Trademarks £'000	Website & Software £'000	Total £'000
Cost			
At 1 January 2021	46	85	131
Additions	2	-	2
At 31 December 2021	48	85	133
Accumulated amortisation			
At 1 January 2021	33	75	108
Amortisation for the year	1	4	5
At 31 December 2021	34	79	113
Carrying amount			
At 31 December 2021	14	6	20

2020	Trademarks £'000	Website & Software £'000	Total £'000
Cost			
At 1 January 2020	45	85	130
Additions	1	-	1
At 31 December 2020	46	85	131
Accumulated amortisation			
At 1 January 2020	32	71	103
Amortisation for the year	1	4	5
At 31 December 2020	33	75	108
Carrying amount			
At 31 December 2020	13	10	23

Amortisation of £5,000 (2020: £5,000) is included in administrative expenses.

10. PROPERTY, PLANT AND EQUIPMENT

2021	Plant & Machinery and Office Equipment £'000	Total £'000
Cost		
At 1 January 2021 and 31 December 2021	12	12
Accumulated depreciation		
At 1 January 2021 and 31 December 2021	12	12
Carrying amount		
At 31 December 2021	-	-

2020	Plant & Machinery and Office Equipment £'000	Total £'000
Cost		
At 1 January 2020 and 31 December 2020	12	12
Accumulated depreciation		
At 1 January 2020 and 31 December 2020	12	12
Carrying amount		
At 31 December 2020	-	-

11. INVENTORIES

	2021 £'000	2020 £'000
Raw materials	5	-
Finished goods	124	9
	129	9

Inventories with a carrying value of £nil (2020: £nil) were written down to £nil (2020: £nil).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

12. TRADE AND OTHER RECEIVABLES

	2021 £'000	2020 £'000
Current assets		
Amounts receivable from sales of goods	2	6
Prepayments	4	2
Trade and other receivables	6	8
Other taxation	42	15
Amounts due from Group companies	547	107
	595	130

The directors consider that the carrying amount of trade and other receivables approximates their fair value.

Amounts totalling £nil were impaired at 31 December 2021 (2020: £nil).

The following table provides analysis of amounts receivable from the sale of goods that were past due at the year end, but not impaired. The Company believes that the balances are ultimately recoverable based on a review of past payment history and the current financial status of the customers.

	2021 £'000	2020 £'000
0 to 6 months	0	2

There are no significant credit risks arising from financial assets of £2,000 (2020: £6,000) that are not yet due and not impaired.

All trade and other receivables are denominated in sterling.

13. FINANCIAL ASSETS AT AMORTISED COST

Cash and cash equivalents

Cash and cash equivalents of £29,000 (2020: £29,000) comprise cash held by the Company and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

14. FINANCIAL RISK MANAGEMENT

The Company's activities expose the Company to a number of risks including market risk (foreign currency risk and interest rate risk), credit risk and liquidity risk. The Company manages these risks through an effective risk management program.

Exposures to financial risks are monitored and assessed by management and reported on a monthly basis. Any significant exposure is reported to the Board and discussed at Board meetings to ensure that the risk mitigation procedures are compliant with the Company policy and that any new risks are appropriately managed.

The Company's financial assets are all classified as 'Financial assets at amortised cost', and its liabilities are all 'Other financial liabilities at amortised cost'. Receivables of £nil (2020: £nil) were impaired at the year end.

Liquidity risk

The Company closely monitors its access to bank and other credit facilities in comparison to its outstanding commitments on a regular basis to ensure that it has sufficient funds to meet the obligations of the Company as they fall due.

The Board receives regular forecasts which estimate the cash flows over the next eighteen months, so that management can ensure that sufficient financing is in place as it is required.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

Maturity analysis

The tables below analyses the Company's financial assets and liabilities on a contractual gross undiscounted cash flow basis into maturity groupings based on period outstanding at the reporting date up to the contractual maturity date.

2021	**Less than 6 months £'000**	**Between 6 months and 1 year £'000**	**Between 1 to 5 years £'000**	**Over 5 years £'000**	**Total £'000**
Assets					
Trade and other receivables	2	-	-	-	2
Amounts due from Group companies	547	-	-	-	547
	549	-	-	-	549
Liabilities					
Trade and other payables	19	-	-	-	19
Amounts payable to Group companies	518	-	-	-	518
	537	-	-	-	537

2020	**Less than 6 months £'000**	**Between 6 months and 1 year £'000**	**Between 1 to 5 years £'000**	**Over 5 years £'000**	**Total £'000**
Assets					
Trade and other receivables	6	-	-	-	6
Amounts due from Group companies	107	-	-	-	107
	113	-	-	-	113
Liabilities					
Trade and other payables	18	-	-	-	18
Amounts payable to Group companies	365	-	-	-	365
	383	-	-	-	383

The Company would normally expect that sufficient cash is generated in the operating cycle to meet the contractual cash flows as disclosed above through effective cash management.

Foreign currency risk

The Company's foreign currency risk is not material at the year end.

Interest rate risk

The Company's interest rate exposure is limited to interest payable on loans from other Group companies.

The Company enters into intercompany loans with other trading Group companies. Interest is charged at 1.75% plus base rate (2020: 1.75% plus base rate).

The table below shows the Company's financial assets and liabilities split by those bearing fixed and floating rates and those that are non-interest bearing.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

Interest rate risk (continued)

2021	Fixed Rate £'000	Floating Rate £'000	Non-interest bearing £'000	Total £'000
Cash and cash equivalents	-	29	-	29
Trade and other receivables	-	-	2	2
Amounts due from Group companies	-	-	547	547
	-	29	549	578
Trade and other payables	-	-	19	19
Amounts payable to Group companies	-	518	-	518
Trade and other payables	-	518	19	537

2020	Fixed Rate £'000	Floating Rate £'000	Non-interest bearing £'000	Total £'000
Cash and cash equivalents	-	29	-	29
Trade and other receivables	-	-	6	6
Amounts due from Group companies	-	-	107	107
	-	29	113	142
Trade and other payables	-	-	18	18
Amounts payable to Group companies	-	365	-	365
Trade and other payables	-	365	18	383

The table below summarises the impact of increases/decreases of a 1% change in base rate on the Company's post-tax profit for the year, and on equity.

	Impact on post-tax profit		Impact on equity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Base rate	3	7	3	7

Credit risk exposure

The Company's principal financial assets are bank balances and cash, trade and other receivables.

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

Credit risk predominantly arises from trade receivables.

Credit exposure is managed by assessing the credit quality of each customer internally before accepting any terms of trade. Internal procedures are performed taking into account their financial position as well as their reputation within the industry and past experience.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk exposure (continued)

The Company's maximum exposure to credit risk, gross of any collateral held, relating to its financial assets is equivalent to their carrying value as disclosed below. All financial assets have a fair value which is equal to their carrying value.

Maximum exposure to credit risk	**2021 £'000**	**2020 £'000**
Trade and other receivables	2	6
Amounts due from Group companies	547	107
Cash and cash equivalents	29	29
	578	142

Impairment of financial assets

The company's trade receivables are subject to the expected credit losses model. While cash and cash equivalents are also subject to the impairment of IFRS 9, the identified impairment loss is immaterial.

Trade receivables

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates.

The expected loss rates are based on the payment profiles of sales over a period of 24 month before 31 December 2021, which has an immaterial impact on opening balances. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the company, and a failure to make contractual payments for a period of greater than 180 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

There have been no write-offs over the review period with customers paying all amounts due. The impact of future events and economic conditions is not considered material and therefore no loss allowance has been made, other than for a historic debt considered a one-off given customer relationships of that type no longer exist.

The Company has no other significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

Capital management

For the purposes of the Company's capital management, capital includes issued capital, and all other equity reserves attributable to the equity holders of the Company.

The Company's main objective when managing capital, defined as equity and retained earnings/accumulated losses, is to protect returns to shareholders by ensuring the Company will continue to trade profitably in the foreseeable future. The Company also aims to maximise its capital structure of debt and equity so as to minimise its cost of capital.

A key indicator of the Company's capital management performance is the profit / loss reported in a year. A profit of £458,000 was reported in the year (2020: £280,000), which the directors consider adequate considering all appropriate factors.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

Capital management (continued)

The Company manages its capital with regard to the risks inherent in the business and the sector within which it operates by monitoring its gearing ratio on a regular basis.

Net debt includes short and long-term borrowings net of cash and cash equivalents (see note 19).

15. SHARE CAPITAL

	2021 £'000	2020 £'000
Authorised:		
99,000 ordinary A shares of £0.01 each	1	1
1,000 ordinary B shares of £0.01 each	-	-
	1	1
Issued and fully paid:		
9,000 ordinary A shares of £0.01 each	-	-
1,000 ordinary B shares of £0.01 each	-	-
	-	-

The Company has two classes of shares which carry no right to fixed income.

16. RETAINED EARNINGS / (ACCUMULATED LOSSES)

	£'000
At 1 January 2020	(512)
Profit for the year attributable to equity holders	280
At 31 December 2020 and 1 January 2021	(232)
Profit for the year attributable to equity holders	458
At 31 December 2021	226

All reserves represent retained earnings from current and prior years.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

17. TRADE AND OTHER PAYABLES

	2021 £'000	2020 £'000
Amounts payable relating to the purchase of goods and services	3	4
Other payables	16	14
Trade and other payables	19	18
Amounts payable to Group companies	518	365
	537	383

Trade payables, accruals and other creditors principally comprise amounts outstanding for trade purchases and ongoing costs.

The directors consider that the carrying amount of trade payables approximates their fair value.

Loan amounts included in amounts payable to Group companies of £374,000 (2020: £365,000) are unsecured and payable on demand with interest charged at 1.75% plus base rate.

All trade and other payables are denominated in sterling.

18. RECONCILIATION OF PROFIT FROM OPERATIONS TO CASH FLOW FROM OPERATIONS

	2021 £'000	2020 £'000
Profit from operations before one-off items	551	335
(Increase) / decrease in inventory	(120)	2
(Increase) / decrease in receivables	(465)	824
Increase / (decrease) in payables	145	(277)
Amortisation	5	5
Cash flow generated from operations	116	889

19. ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2021 £'000	Change in net funds £'000	Non-cash movements £'000	At 31 December 2021 £'000
Amounts payable to Group companies	365	-	9	374
Less cash and cash equivalents	(29)	-	-	(29)
Net debt	336	-	9	345

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

19. ANALYSIS OF CHANGES IN NET DEBT (CONTINUED)

	At 1 January 2020 £'000	Change in net funds £'000	Non-cash movements £'000	At 31 December 2020 £'000
Amounts payable to Group companies	1,289	(945)	21	365
Less cash and cash equivalents	(131)	102	-	(29)
Net debt	1,158	(843)	21	336

Included in the change in net debt payable to Group companies is a non-cash increase of £9,000 (2020: £21,000) relating to interest charged to Group companies but not paid.

Other amounts due from Group companies of £547,000 (2020: £107,000), and amounts payable to Group companies of £144,000 (2020: £nil) are trade balances and therefore are not included in the above analysis.

20. RELATED PARTY TRANSACTIONS AND ULTIMATE CONTROLLING PARTY

At 31 December 2021 the immediate parent undertaking was Brunel Healthcare Manufacturing Limited (incorporated in England), and the Company's ultimate parent undertaking and controlling party was Aland Health Holding Ltd (incorporated in the Cayman Islands), which was also the parent undertaking of the largest group for which the company is a member.

At 31 December 2021 IVC Nutrition Corporation (incorporated in China, with registered address No.20 Jiangshan Road, Jinjiang City, Jiangsu Province, China) was the parent undertaking of the smallest group for which consolidated financial statements were drawn up, and which the company was a member.

Transactions and balances between the Company and its parent company and companies under common control, which are related parties of the Company, are disclosed below.

	At 1 January 2021 £'000	Transaction Flows £'000	At 31 December 2021 £'000
BioCare Limited	(365)	(9)	(374)
Brunel Healthcare Manufacturing Limited	-	(144)	(144)
Aland (HK) Nutrition Holding Limited	107	440	547
Balance	(258)	287	29

Details of transactions between the Company and other related parties for the year ended 31 December 2021 and the year ended 31 December 2020, and the outstanding balances at 31 December 2021 and 31 December 2020 are disclosed below.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

20. RELATED PARTY TRANSACTIONS AND ULTIMATE CONTROLLING PARTY (CONTINUED)

2021	Sales of Goods/ Services	Purchases of Goods/ Services	Cash paid /(received)	Interest charged	Amounts released	Amounts Owed by Related Parties	Amounts Owed to Related Parties
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
BioCare Limited	-	-	-	(9)	-	-	374
Brunel Healthcare Manufacturing Limited	-	(636)	492	-	-	-	144
Aland (HK) Nutrition Holding Limited	1,155	-	(715)	-	-	547	-
	1,155	(636)	(223)	(9)	-	547	518

2020	Sales of Goods/ Services	Purchases of Goods/ Services	Cash (received) /paid	Interest charged	Amounts released	Amounts Owed by Related Parties	Amounts Owed to Related Parties
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
BioCare Limited	-	-	271	(10)	-	-	365
Brunel Healthcare Manufacturing Limited	-	(284)	1,172	(11)	-	-	-
Aland (HK) Nutrition Holding Limited	656	-	(1,438)	-	-	107	-
	656	(284)	5	(21)	-	107	365

Related party balances are unsecured and are expected to be settled in cash.

Compensation of key management personnel

The remuneration of directors, who are the key personnel of the Company, were deemed to be wholly attributable to fellow group company BioCare Limited, where costs were borne. Accordingly, the financial statements of the Company include no remuneration in respect of the directors.

21. POST BALANCE SHEET EVENTS

There were no events after the reporting year which require disclosure or which lead to adjustment of the financial statements.