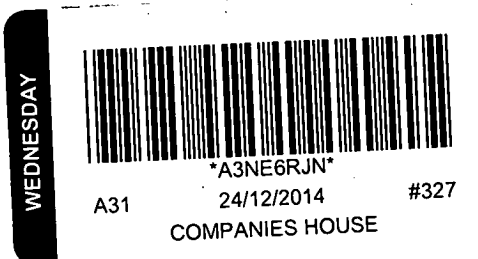




Plummer Parsons
Chartered Accountants

MENKIND RETAIL LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

Company Registration No. 06861802 (England and Wales)



Chartered Accountants
& Statutory Auditor

MENKIND RETAIL LIMITED

COMPANY INFORMATION

Directors	P Kraftman G Wakeman M Talbot
Company number	06861802
Registered office	18 Hyde Gardens Eastbourne East Sussex BN21 4PT
Auditors	Plummer Parsons 18 Hyde Gardens Eastbourne East Sussex BN21 4PT
Business address	The Atrium Curtis Road Dorking Surrey RH4 1XA

MENKIND RETAIL LIMITED

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MENKIND RETAIL LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2014

The directors present their report and financial statements for the year ended 31 March 2014.

Review of the business

The key financial highlights for the year are as follows:

	2014 £	2013 £	2012 £
Turnover	13,304,257	11,447,933	1,383,421
Turnover growth	16%	728%	<i>n/a - dormant in 2011</i>
Gross profit margin	7%	6%	7%
Profit before tax	685,806	889,469	52,136

The results for the year and the financial position at the year end were considered satisfactory by the directors with continued growth expected for the future.

The company is subject to general business and economic risks in the same way as similar businesses within the sector.

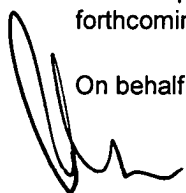
The company's principal financial instruments comprise bank balances, trade creditors and loans. The main purpose of these instruments is to raise funds for the company's operations. The company's approach to managing the risks applicable to the financial instruments concerned are as follows:

In respect to bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest should it be considered necessary.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due and to ensure loan repayments are met on time.

The company had a sufficiently strong balance sheet at the year end with sufficient cash reserves to meet forthcoming requirements.

On behalf of the board



P Kraftman

Director

16 December 2014

MENKIND RETAIL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2014

The directors present their report and financial statements for the year ended 31 March 2014.

Principal activities and review of the business

The principal activity of the company continued to be that of the stock management for the Menkind Group of Companies.

Results and dividends

The results for the year are set out on page 6.

A final dividend of £100,000 was voted in respect of the Ordinary share capital of the company.

Directors

The following directors have held office since 1 April 2013:

P Kraftman

G Wakeman

S Lane

M Talbot

(Resigned 14 March 2014)

Taxation status

The company was a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

Auditors

The auditors, Plummer Parsons, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing 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 judgements 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.

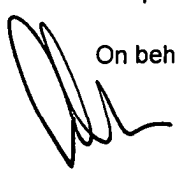
MENKIND RETAIL LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.



On behalf of the board

P Kraftman

Director

16 December 2014

MENKIND RETAIL LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MENKIND RETAIL LIMITED

We have audited the financial statements of Menkind Retail Limited for the year ended 31 March 2014 set out on pages 6 to 15. 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 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

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 - 3, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2014 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MENKIND RETAIL LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF MENKIND RETAIL LIMITED

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.

Steven Griffen ACA (Senior Statutory Auditor)
for and on behalf of Plummer Parsons

23 December 2014

Chartered Accountants
Statutory Auditor

18 Hyde Gardens
Eastbourne
East Sussex
BN21 4PT

MENKIND RETAIL LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2014

	Notes	2014 £	2013 £
Turnover	2	13,304,257	11,447,933
Cost of sales		(12,316,443)	(10,770,364)
Gross profit		987,814	677,569
Distribution costs		(850,328)	(546,221)
Administrative expenses		(1,219,012)	(1,134,249)
Other operating income		1,790,100	1,900,148
Operating profit	3	708,574	897,247
Other interest receivable and similar income	4	-	5
Interest payable and similar charges	5	(22,768)	(7,783)
Profit on ordinary activities before taxation		685,806	889,469
Tax on profit on ordinary activities	6	(57,500)	(104,676)
Profit for the year	14	628,306	784,793

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

MENKIND RETAIL LIMITED

BALANCE SHEET

AS AT 31 MARCH 2014

	Notes	2014 £	£	2013 £	£
Fixed assets					
Tangible assets	7		39,768		50,891
Current assets					
Stocks	8	2,357,754		1,749,966	
Debtors	9	2,574,422		2,003,925	
		4,932,176		3,753,891	
Creditors: amounts falling due within one year	10	(3,356,353)		(2,976,715)	
Net current assets			1,575,823		777,176
Total assets less current liabilities			1,615,591		828,067
Creditors: amounts falling due after more than one year	11		(159,218)		-
			1,456,373		828,067
Capital and reserves					
Called up share capital	13		1		1
Profit and loss account	14		1,456,372		828,066
Shareholders' funds	15		1,456,373		828,067

Approved by the Board and authorised for issue on 16 December 2014


P Kraftman
Director

Company Registration No. 06861802

MENKIND RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Turnover is accounted for on an accruals basis, based upon when the right of ownership of goods pass to the recipient or date services are performed.

1.4 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 less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	33% Straight Line
Fixtures, fittings & equipment	15%, 20% or 33% Straight Line

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Stock

Stock is valued at the lower of cost and net realisable value.

1.7 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.8 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

MENKIND RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit	2014 £	2013 £
Operating profit is stated after charging:		
Depreciation of tangible assets	26,824	32,580
Loss on foreign exchange transactions	-	23,457
Operating lease rentals		
- Plant and machinery	39,071	37,262
- Other assets	59,628	52,583
Auditors' remuneration (including expenses and benefits in kind)	24,489	23,000
and after crediting:		
Profit on foreign exchange transactions	(16,152)	-

4 Investment income	2014 £	2013 £
Other interest	-	5

5 Interest payable	2014 £	2013 £
On bank loans and overdrafts	22,768	7,783

MENKIND RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

6	Taxation	2014 £	2013 £
	Domestic current year tax		
	U.K. corporation tax	57,500	104,743
	Adjustment for prior years	-	(67)
	Total current tax	<u>57,500</u>	<u>104,676</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>685,806</u>	<u>889,469</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.00% (2013 - 24.00%)	<u>157,735</u>	<u>213,473</u>
	Effects of:		
	Non deductible expenses	3,147	2,729
	Depreciation add back	6,170	7,819
	Capital allowances	(5,698)	(7,940)
	Group relief	(103,854)	(111,338)
	Adjustments to previous periods	-	(67)
		<u>(100,235)</u>	<u>(108,797)</u>
	Current tax charge for the year	<u>57,500</u>	<u>104,676</u>

MENKIND RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

7 Tangible fixed assets

	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 April 2013	73,883	9,588	83,471
Additions	13,891	1,810	15,701
At 31 March 2014	87,774	11,398	99,172
Depreciation			
At 1 April 2013	29,960	2,620	32,580
Charge for the year	24,197	2,627	26,824
At 31 March 2014	54,157	5,247	59,404
Net book value			
At 31 March 2014	33,617	6,151	39,768
At 31 March 2013	43,923	6,968	50,891

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery £
Net book values	
At 31 March 2014	5,900
Depreciation charge for the year	
At 31 March 2014	1,180

8 Stocks	2014 £	2013 £
Finished goods and goods for resale	2,357,754	1,749,966

MENKIND RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

9 Debtors	2014 £	2013 £
Amounts owed by parent and fellow subsidiary undertakings	2,243,880	-
Other debtors	199,356	3,971
Prepayments and accrued income	131,186	1,999,954
	<u>2,574,422</u>	<u>2,003,925</u>
10 Creditors: amounts falling due within one year	2014 £	2013 £
Bank loans and overdrafts	1,121,694	210,583
Net obligations under finance leases	2,803	-
Trade creditors	1,115,298	674,800
Amounts owed to parent and fellow subsidiary undertakings	899,568	1,900,148
Corporation tax	57,500	104,743
Other creditors	82,084	54,965
Accruals and deferred income	77,406	31,476
	<u>3,356,353</u>	<u>2,976,715</u>

The company's bank loan and overdraft above are secured against the assets of the company.

A cross-company guarantee is also given by all other companies in the group. As a consequence Menkind Retail Limited also gives a guarantee against the borrowings of all other companies in the group.

MENKIND RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

11 Creditors: amounts falling due after more than one year	2014 £	2013 £
Bank loans	157,500	-
Net obligations under finance leases	1,718	-
	<u>159,218</u>	<u>-</u>
Analysis of loans		
Wholly repayable within five years	262,500	-
	<u>262,500</u>	<u>-</u>
Included in current liabilities	(105,000)	-
	<u>157,500</u>	<u>-</u>
Loan maturity analysis		
In more than one year but not more than two years	105,000	-
In more than two years but not more than five years	52,500	-
	<u>157,500</u>	<u>-</u>
The company's bank loan above is secured against the assets of the company.		
Net obligations under finance leases		
Repayable within one year	3,116	-
Repayable between one and five years	2,266	-
	<u>5,382</u>	<u>-</u>
Finance charges and interest allocated to future accounting periods	(861)	-
	<u>4,521</u>	<u>-</u>
Included in liabilities falling due within one year	(2,803)	-
	<u>1,718</u>	<u>-</u>

12 Pension and other post-retirement benefit commitments

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2014 £	2013 £
Contributions payable by the company for the year	<u>8,892</u>	<u>10,200</u>

MENKIND RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

13 Share capital	2014 £	2013 £
Allotted, called up and fully paid		
1 Ordinary shares of £1 each	1	1

14 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 2013	828,066
Profit for the year	628,306
Balance at 31 March 2014	1,456,372

15 Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Profit for the financial year	628,306	784,793
Opening shareholders' funds	828,067	43,274
Closing shareholders' funds	1,456,373	828,067

16 Directors' remuneration

	2014 £	2013 £
Remuneration for qualifying services	47,217	48,000

MENKIND RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

17 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2014 Number	2013 Number
Management and administration	14	14

Employment costs

	2014 £	2013 £
Wages and salaries	645,318	583,370
Social security costs	42,386	35,772
Other pension costs	8,892	10,200
	696,596	629,342

18 Control

The parent and ultimate parent undertaking is Menkind Group Limited, a company registered in England & Wales. The ultimate controlling party is considered to be the director P Kraftman.

19 Related party relationships and transactions

Other transactions

Included in Other Debtors are loans amounting to £7,005 (2013: £nil) due from Define and Rule Limited, a company incorporated in England & Wales and controlled by the director Mr P Kraftman.

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.