

Company Registration No. 09055631 (England and Wales)

HEALTHFULL HOLDINGS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
For the period ended 31 March 2020

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HEALTHFULL HOLDINGS LIMITED

For the year ended 31 March 2020

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HEALTHFULL HOLDINGS LIMITED
For the year ended 31 March 2020

COMPANY INFORMATION

Directors	R P Shaw M L Gould E Juhasz (Resigned 20 th February 20) S N Faithfull (Appointed 31 st May 19) Bridges Ventures LLP (Resigned 4 th December 19) Bridges Fund Management Limited (Appointed 4 th December 19)
Country of incorporation	United Kingdom
Company Number	09055631
Registered Office	Tyn Y Llidiart Industrial Estate Corwen Denbighshire Wales LL21 9RR
Auditors	Grant Thornton UK LLP 4 Hardman Square Spinningfields Manchester M3 3EB
Business Address	Tyn Y Llidiart Industrial Estate Corwen Denbighshire Wales LL21 9RR
Bankers	Barclays Bank plc Raymond Court Princes Drive Colwyn Bay North Wales LL29 8HT

HEALTHFULL HOLDINGS LTD

For the year ended 31 March 2020

STRATEGIC REPORT

The directors present their report and financial statements for the year ended 31 March 2020.

Review of the business

Healthfull Holdings limited is a wholly owned subsidiary of Healthfull Holdings Group Limited, a company registered in England and Wales, incorporated on 2 June 2014.

The company is based in Corwen, North Wales. The Healthfull Holdings group has manufacturing, warehousing and offices accommodation totalling approximately 22,000sq ft. of which circa two thirds is utilised for manufacturing. A warehouse and office block was rented in Wrexham totalling approximately 12,000 sq. ft. and office premises were rented in Chester totalling approximately 9,500sq ft.

As part of the strategy to extend our Brand portfolio, on 07 June 2019, 9Brand Foods Limited, one of the company's subsidiaries, acquired the trade and assets of Bounce Foods Limited. The trade and assets are being held in a new company Bounce Brands Limited a wholly owned subsidiary of the company.

Principal risks and uncertainties

The company is a holding company as part of a group which manufactures a range of healthy natural snack bars, both under its own brands (Nine, Brynmor and Bounce) and those of its contract customers.

The company sources a large proportion of its ingredients from numerous origins around the world, and costs prices can fluctuate markedly according to size and quality of harvests and currency movements and therefore as at 31 March 2020, the company had formal contracts in place for circa 68% (2019: 55%) of the following year's ingredients requirements.

The Directors have considered the group position concerning the decision for the UK to leave the EU and consequential uncertainties in the political and economic environment. The Directors have assessed the main markets in which the company operates and the impact of leaving the EU on its supply chain. After consideration, the Directors believe there is no significant immediate risk to the group.

The position of the company at the year end

When considering working capital, the company had current assets of £12,039,000 (2019: £10,006,000) compared to current liabilities of £6,761,000 (2019: £6,261,000) demonstrating good liquidity. The company has £14,000 (2019: £58,000) of shareholders liabilities due to the company's loan notes. If the loan notes were treated as capital rather than liabilities the shareholders' funds would show assets of £10,704,000 (2019: £10,660,000).

Analysis based on key performance indicators

The company did not trade during the year, the operating profit for the year was £1,629,000 (2019:£1,501,000).

On behalf of the board

.....
S Faithfull – Director



22/9/2020

HEALTHFULL HOLDINGS LIMITED

For the year ended 31 March 2020

DIRECTORS' REPORT

The directors present their report and financial statements for the period ended 31 March 2020.

Principal activities and nature of operations

The principal activity of the company was as a holding company that manufactures natural and vegetarian foods, and develops and sells health related food products. The company was incorporated on 23 May 2014 and the accounting reference date has subsequently been changed to 31 March.

Future developments

As the market recovers from the challenges of Covid 19 a return to market growth is expected. The group will continue to focus on servicing the growing demand from its healthy snacking partners, the development of its own brands and the support for new branded customers.

Results and dividends

The results for the year are set out on page 9. The directors did not propose payment of a final dividend (2019: £Nil).

Financial risk management objective and policies

Risk management is a fundamental element of the company's business practice on all levels and is embedded into the business planning and controlling processes. Material risks, if there are any, are monitored and regularly discussed with the Board of Directors.

The company carries out an annual risk assessment, covering both financial and operational risks. A risk is defined as the possibility of an adverse event which has a negative impact on the achievement of the company's objectives.

Going concern

The company is a Holding company and so does not generate any income, however, the Healthfull Holdings group has taken a number of actions to mitigate the impact of the Coronavirus (Covid-19) on both trading and operations. These actions have been built into the financial models which have been used to review the risks to the business presented by the pandemic, which are material in the short term. The Directors are reviewing the latest forecasts, for the year and beyond, monthly and believe that there is no risk to the group as a going concern. In these forecasts, the planning assumptions with respect to demand, Inbound supply and factory operations have been sensitivity tested and the range of earnings and cash flow outcomes reviewed by the Board. The same planning model has been used as the base for securing an additional £1m funding line for Wholebake Limited from the group's bank repayable over three years with a one year capital payment holiday, giving further comfort and greater headroom to cover any downside risk on funding. Over the medium term, the Directors believe that some of the trends which are being triggered by the virus will be positive for the group. The company has the financial support of its parent and fellow subsidiary undertakings of the Healthfull Holdings Group.

Notwithstanding the fact the company does not trade and the net liability position, the directors consider it appropriate to prepare the financial statements on a going concern basis due to the continued support of the company's related undertakings. The related undertakings have expressed their commitment to provide additional funds to support the company to the extent necessary to meet its liabilities as they fall due for a period of at least 12 months following the signing of these financial statements.

HEALTHFULL HOLDINGS LIMITED

For the year ended 31 March 2020

DIRECTORS' REPORT (CONTINUED)

Going concern (continued)

The directors have at the time of approving these financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future being a period of not less than 12 months from the date of approval of these financial statements. Thus, the company therefore continues to adopt the going concern basis in preparing its financial statements.

Liquidity risk

The objective of the company in managing risk is to ensure that it can meet its financial obligations as and when they fall due. The company expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations the company has third party credit facilities available and an intercompany loan facility. Given the absence of long term loans in the individual company the company is in a position to meet its commitments and obligations as they come due.

Directors

The following directors have held office throughout the year:

R P Shaw

M L Gould

E Juhasz (Resigned 20th February 20)

S N Faithfull (Appointed 31st May 19)

Bridges Ventures LLP (Resigned 4th December 19)

Bridges Fund Management Limited (Appointed 4th December 19)

Director's indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Charitable and political contributions

There were no charitable or political donations made during the year (2019:£Nil).

Auditors

Grant Thornton UK LLP were appointed as auditors on 23 May 2014 and have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors.

HEALTHFULL HOLDINGS LIMITED
For the year ended 31 March 2020

DIRECTORS' REPORT (CONTINUED)

Statement of Director's Responsibilities

The directors are responsible for preparing the Strategic Report and 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 FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland". 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.

Disclosure of information to auditor

The directors confirm that:

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

The directors consider the annual report and the financial statements, taken as a whole, provides the information necessary to assess the company's performance, business model and strategy and is fair, balanced and understandable.

Approved by the Board and signed on its behalf by:



.....
S Faithfull
Director

22/9/2020

HEALTHFULL HOLDINGS LIMITED

For the year ended 31 March 2020

Independent auditor's report to the members of Healthfull Holdings Limited

Opinion

We have audited the financial statements of Healthfull Holdings Limited (the 'company') for the year ended 31 March 2020 which comprise the statement of comprehensive income, statement of financial position and statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

HEALTHFULL HOLDINGS LIMITED

For the year ended 31 March 2020

- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business model, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

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

HEALTHFULL HOLDINGS LIMITED

For the year ended 31 March 2020

- 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.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

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

Use of our report

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.

Grant Thornton UK LLP

Carl Williams
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Manchester

22/9/2020

HEALTHFULL HOLDINGS LIMITED
 STATEMENT OF COMPREHENSIVE INCOME
 For the year ended 31 March 2020

	Notes	2020 £'000	2019 £'000
Turnover	2	-	-
Cost of sales		-	-
Gross Profit		-	-
Administrative expenses		(316)	(405)
Other operating income	3	1,945	1,906
Operating profit	4	1,629	1,501
Interest payable and similar charges	5	(1,629)	(1,501)
Profit on ordinary activities before taxation		-	-
Tax on profit on ordinary activities	7	44	86
Profit for the year and total comprehensive income		44	86

The income statement 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 Income Statement

The notes on pages 12 to 22 form part of these financial statements.

HEALTHFULL HOLDINGS LIMITED
STATEMENT OF FINANCIAL POSITION
As at 31 March 2020

Company Registration No: 09055631

	Notes	2020 £'000	2019 £'000
Fixed assets			
Investments	8	<u>11,297</u>	<u>11,297</u>
		11,297	11,297
Current assets			
Debtors	9	12,034	9,994
Cash at bank and in hand		<u>5</u>	<u>12</u>
		12,039	10,006
Creditors: amounts falling due within one year	10	<u>(6,761)</u>	<u>(6,261)</u>
Net current assets		<u>5,278</u>	<u>3,745</u>
Total assets less current liabilities		16,575	15,042
Creditors: amounts falling due after more than one year	11	<u>(16,589)</u>	<u>(15,100)</u>
Net assets		<u><u>(14)</u></u>	<u><u>(58)</u></u>
Capital and reserves			
Called up share capital	13	-	-
Profit and loss account		<u>(14)</u>	<u>(58)</u>
Shareholders' liabilities		<u><u>(14)</u></u>	<u><u>(58)</u></u>

The notes on pages 12 to 22 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors.

Signed on behalf of the board of directors:



.....
S Faithfull
Director

22/9/2020

HEALTHFULL HOLDINGS LIMITED
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2020

	Called up share capital £'000	Profit and loss account £'000	Total reserves £'000
At 1 April 2019	-	(58)	(58)
Profit/(loss) for the year	-	44	44
At 31 March 2020	-	(14)	(14)

HEALTHFULL HOLDINGS LIMITED
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2019

	Called up share capital £'000	Profit and loss account £'000	Total reserves £'000
At 1 April 2018	-	(144)	(144)
Profit/(loss) for the year	-	86	86
At 31 March 2019	-	(58)	(58)

HEALTHFULL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

1 ACCOUNTING POLICIES

1.1 Company information

Healthfull Holdings Limited incorporated in the UK on 23 May 2014, is a wholly owned subsidiary of Healthfull Holdings Group Limited, and its registered office is; Tyn'Y' Llidiart Industrial Estate, Corwen, Denbigshire, Wales, LL21 9RR. The principal activity of the company is that of a holding company.

1.2 Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

The financial statements are presented in sterling (£). The individual accounts of Healthfull Holdings Limited have also adopted the following disclosure exemptions:

- the requirement to present a statement of cash flows and related notes
- financial instrument disclosures, including:
 - categories of financial instruments,
 - items of income, expenses, gains or losses relating to financial instruments, and
 - exposure to and management of financial risks.

The company itself is a subsidiary company and is exempt from the requirement to prepare group financial statements by virtue of section 400 of the Companies Act 2006 as the results of the Company are consolidated within the ultimate parent company, Healthfull Holdings Group Limited. These accounts therefore present information about the company as an individual and not about its group.

1.3 Going concern

The company is a Holding company and so does not generate any income, however, the Healthfull Holdings group has taken a number of actions to mitigate the impact of the Coronavirus (Covid-19) on both trading and operations. These actions have been built into the financial models which have been used to review the risks to the business presented by the pandemic, which are material in the short term. The Directors are reviewing the latest forecasts, for the year and beyond, monthly and believe that there is no risk to the group as a going concern. In these forecasts, the planning assumptions with respect to demand, Inbound supply and factory operations have been sensitivity tested and the range of earnings and cash flow outcomes reviewed by the Board. The same planning model has been used as the base for securing an additional £1m funding line for Wholebake Limited from the group's bank repayable over three years with a one year capital payment holiday, giving further comfort and greater headroom to cover any downside risk on funding. Over the medium term, the Directors believe that some of the trends which are being triggered by the virus will be positive for the group. The company has the financial support of its parent and fellow subsidiary undertakings of the Healthfull Holdings Group.

Notwithstanding the fact the company does not trade and the net liability position, the directors consider it appropriate to prepare the financial statements on a going concern basis due to the continued support of the company's related undertakings. The related undertakings have expressed their commitment to provide additional funds to support the company to the extent necessary to meet its liabilities as they fall due for a period of at least 12 months following the signing of these financial statements.

1 ACCOUNTING POLICIES (CONTINUED)

1.3 Going concern (Continued)

The directors have at the time of approving these financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future being a period of not less than 12 months from the date of approval of these financial statements. Thus, the company therefore continues to adopt the going concern basis in preparing its financial statements.

1.4 Significant judgements and estimates

Management have not made any significant judgements or estimates whilst preparing the financial statements.

1.5 Impairment of assets

At each reporting date, fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying value. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the profit and loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit and loss.

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

HEALTHFULL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

1 ACCOUNTING POLICIES (CONTINUED)

1.9 Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing differences. With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- The company has a legally enforceable right to set off current tax assets against current tax liabilities, and
- The deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

1.10 Employee benefits

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

1.11 Foreign currency translation

In preparing the financial statements of the company, transactions in currencies other than the functional currency of the company are recognised as the spot rate at the dates of the transactions, or at an average rate where this rate approximates to the actual rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non – monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise.

HEALTHFULL HOLDINGS LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 March 2020

2 TURNOVER

The company is a holding company and did not trade during the year.

3 OTHER OPERATING INCOME

	2020	2019
	£'000	£'000
Management fees	1,945	1,906

4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2020	2019
	£'000	£'000
Auditors' remuneration; Audit fees	1	1

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2020	2019
	£'000	£'000
On loan notes	1,546	1,404
On bank loans wholly repayable within five years	15	25
Amortisation of loan set up costs	68	72
	1,629	1,501

HEALTHFULL HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

6 DIRECTORS AND EMPLOYEES

	2020	2019
	£'000	£'000
Staff costs during the year were as follows:		
Wages and salaries	223	257
Social security costs	28	33
Other pension costs	1	1
	<u>252</u>	<u>291</u>

The average number of employees of the company during the year was:	2020	2019
	No.	No.
Production	-	-
Administration	2	2
	<u>2</u>	<u>2</u>

Remuneration in respect of directors was as follows:	£'000	£'000
Emoluments	<u>223</u>	<u>257</u>

The Directors did not participate in a money purchase pension schemes during the year.

The amounts set out above include remuneration in respect of the highest paid director as follows:

	2020	2019
	£'000	£'000
Emoluments	<u>120</u>	<u>140</u>

7 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax (credit)/charge is based on the profit for the year and represents:	2020	2019
	£'000	£'000
UK Corporation Tax	-	-
Adjustment in respect of prior periods	-	-
Total current tax	-	-
Deferred taxation: origination/reversal of timing	(44)	(86)
Tax on results of ordinary activities	<u>(44)</u>	<u>(86)</u>

HEALTHFULL HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

7 TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

The tax assessed for the year is lower than the standard rate of corporation tax in the United Kingdom at 19%. The differences are explained as follows:

Profit on ordinary activities before tax	-	-
Profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 19% (2019: 19%)	-	-
Expenses not deductible for tax purposes	149	171
Income not taxable for tax purposes	(309)	(285)
Prior year adjustment	43	(2)
Changes to deferred tax rate	(19)	10
Other tax adjustments, reliefs and transfers	92	20
	(44)	(86)
Tax results on ordinary activities	(44)	(86)

The aggregate current and deferred tax relating to items that are recognised as items of other comprehensive income is £nil. The main rate of corporation tax from 1 April 2020 is 19% (2019: 19%).

8 INVESTMENTS

	£'000
Cost and net book value at 1 April 2019 and 31 March 2020	11,297

In the opinion of the directors, the aggregate value of the company's investment in the subsidiary is not less than the amount included in the balance sheet. The investments are as follows;

Company: subsidiary undertaking	Country of registration of incorporation	Class	Shares Held	Nature of business
Wholebake (Topco) Limited	United Kingdom	Ordinary	100%	Holding company
Wholebake Limited	United Kingdom	Ordinary	100%	Food manufacturing
9 Brand Foods Limited	United Kingdom	Ordinary	100%	Branded Food Retail
Bounce Brands Limited	United Kingdom	Ordinary	100%	Branded Food Retail

The principal activity of Wholebake (Topco) limited was to act as a holding company.

Wholebake Limited is engaged in the manufacture of food products and 9Brand Foods Limited is engaged in the retail of food products

As part of the strategy to extend our Brand portfolio, on 7 June 2019, Wholebake Limited through its subsidiary 9Brand Foods Limited purchased the trade and assets of Bounce Foods Limited (a company

HEALTHFULL HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

in administration) and typed over the relevant staff for a consideration of £350,000 and continued trading as Bounce Brands Limited.

9 DEBTORS

	2020	2019
	£'000	£'000
Amounts owed by group undertakings	11,780	9,785
Prepayments and accrued Income	1	-
Deferred tax (see note 13)	253	209
	12,034	9,994

Amounts owed to/from group undertakings are unsecured, interest free and repayable on demand

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£'000	£'000
Bank loan	125	375
Amounts owed to group undertakings	6,615	5,860
Other taxes and social security costs	20	10
Accruals and deferred income	1	16
	6,761	6,261

There is a cross guarantee and debenture between Healthfull Holdings Topco Limited, Healthfull Holdings Group Limited, Wholebake (Topco) Limited, Wholebake Limited and 9Brand Foods Limited on the Bank's standard form with supporting security on the Bank's standard forms. The total value of the bank debt in Healthfull Holdings Ltd is £125,000

Amounts owed to/from group undertakings are unsecured, interest free and repayable on demand

HEALTHFULL HOLDINGS LIMITED
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11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£'000	£'000
Bank Loans	-	125
Interest bearing loan notes	16,589	14,975
	16,589	15,100

Bank loans are repayable as follows:

	2020	2019
	£'000	£'000
Within one year	125	375
Between one to two years	-	125
Between two and five years	-	-
	125	500

The base rate long term loan was taken out during the acquisition of Wholebake (Topco) Limited in July 2014. The initial loan was £2,000,000 with repayment terms of £125,000 per quarter over a period of 4 years. The costs of loan set up have been netted off against the liability and are being amortised over the life of the loan.

In November 2016 the company increased the borrowing by £625,000 and had a repayment break until February 2018 when repayments continued at £125,000 per quarter. The company also had a repayment break from February 2019 with repayments continuing at £125,000 per quarter from August 2019.

There is a cross guarantee and debenture between Healthfull Holdings Topco Limited, Healthfull Holdings Group Limited, Wholebake (Topco) Limited, 9Brand Foods Limited and Wholebake Limited on the Bank's standard form with supporting security on the Bank's standard forms. The total value of the bank debt in Healthfull Holdings Ltd is £125,000.

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11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (CONTINUED)

Loan notes	2020	2019
	£'000	£'000
5,038,566 Fixed rate unsecured manager loan notes and payment in kind notes	5,039	5,039
5,679,167 Fixed rate unsecured investor loan notes and payment in kind notes	5,679	5,679
	10,718	10,718

The loan notes are redeemable in 2021 and incur 10% loan note interest annually. The costs relating to the setup of the loan notes have been matched against the outstanding liability and are being amortised over the life of the loan notes. An analysis of the outstanding balance is as follows:

	Loan Notes	Interest	Set up costs	Total net Loan notes
	£'000	£'000	£'000	£'000
At 1 April 2019	10,718	4,416	(159)	14,975
Paid in the year	-	-	-	-
Accrued interest	-	1,546	-	1,546
Amortised in year	-	-	68	68
At 31 March 2020	10,718	5,962	(91)	16,589

12 DEFERRED TAX

Deferred taxation provided for at 17% (2019: 17%) in the financial statements is set out below:

	2020	2019
	£'000	£'000
1 April 2019	209	123
Credit for the year	44	86
At 31 March 2020	253	209

The deferred tax asset related to unpaid loan note interest to be paid at a future date.

The differences are explained as follows:

Unpaid Loan note interest	253	209
	253	209

HEALTHFULL HOLDINGS LIMITED
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13 CALLED UP SHARE CAPITAL

	2020 £
Allotted, called up and fully paid	
1 Ordinary shares of 100p each	1
	<u>1</u>

14 RESERVES

Called up share capital represents the nominal value of shares that have been issued.

The Profit and loss account includes all current and prior period retained profits.

15 TRANSACTIONS WITH RELATED PARTIES

The immediate and ultimate parent company is Healthfull Holdings Group Limited a company registered in England and Wales. The Directors consider the ultimate controlling party to be Bridges Fund Management Limited.

As part of the strategy to extend our Brand portfolio, on 7 June 2019, Wholebake Limited through its subsidiary 9Brand Foods Limited purchased the trade and assets of Bounce Foods Limited (a company in administration) and tuped over the relevant staff for a consideration of £350,000 and continued trading as Bounce Brands Limited.

The company has taken advantage of the exemption available under FRS 102 section 33 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

Key Management

The key management of the company are considered to be the directors. The total directors remuneration for the period, including employers NI and Pension, was £247,000 (2019: £291,000) of which the amount relating to the highest paid director is £130,000 (2019: £159,000). Included in these amounts were payments for loss of office totalling £nil (2019: £Nil).

Director's interests

The following directors had fixed rate unsecured loan notes as follows;

	£
R P Shaw	1,823,657
M L Gould	3,109,954
Bridges Fund Management Limited	5,784,122
	<u>10,717,733</u>

Transactions with directors during the year were limited to the accrual and payment of interest on loan notes as disclosed in note 12.

HEALTHFULL HOLDINGS LIMITED
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15 TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

Guarantees

The largest set of consolidated accounts produced are those headed up by Healthfull Holdings Group Limited. Copies of those can be obtained from Companies House.

At 31 March 2020, there was a cross guarantee and debenture between Healthfull Holdings Group Limited, Healthfull Holdings Limited, Wholebake (Topco) Limited, Wholebake Limited, 9Brand Foods Limited and Bounce Brands Limited on the Bank's standard form with supporting security on the Bank's standard forms. The total value of the bank debt in Healthfull Holdings Ltd is £125,000.

16 CONTINGENT LIABILITIES

The company had no contingent liabilities at 31 March 2020 or 31 March 2019.

As per Note 16 there are bank guarantees in place, and the total value of the bank debt in Healthfull Holdings Ltd is £125,000.