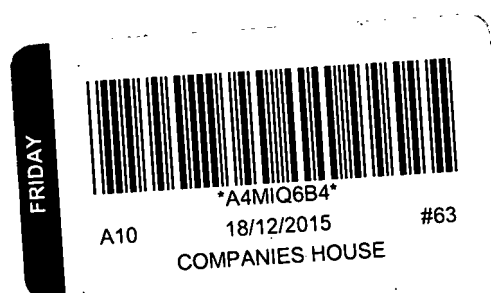


Company Registration No. 09065760 (England and Wales)

HEALTHFULL HOLDINGS GROUP LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
For the period ended 31 March 2015



CONTENTS

| | |
|---|----|
| Company information | 1 |
| Strategic report | 2 |
| Directors' report | 3 |
| Statement of directors' responsibilities | 6 |
| Independent auditor's report | 7 |
| Consolidated income statement | 9 |
| Consolidated statement of financial position | 10 |
| Statement of financial position | 11 |
| Consolidated cashflow | 12 |
| Consolidated statement of changes in equity | 13 |
| Notes to the financial statements including statement of accounting policies | 14 |

HEALTHFULL HOLDINGS GROUP LIMITED
For the period ended 31 March 2015

COMPANY INFORMATION

| | |
|--------------------------|---|
| Directors | M L Gould R P Shaw J Kelly P C Farquhar Bridges Community Ventures Nominee Limited Bridges Ventures LLP |
| Company Number | 09065760 |
| Country of Incorporation | United Kingdom |
| Registered Office | Unit 41a Abenbury Way Wrexham Industrial Estate Wrexham LL13 9UZ |
| 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 BX3 2BB |

STRATEGIC REPORT

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

Review of the business

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

On 24 July 2014 Healthfull Holdings Group Limited acquired Wholebake (topco) Limited, the ultimate parent company of the wholly owned subsidiary Wholebake Limited. As part of the acquisition Healthfull Holdings Limited settled the long term bank loans held between Wholebake and Barclays Bank and purchased all of the shares outstanding from the previous investor, Finance Wales, and part of the shares of directors Mark Gould and Richard Shaw.

The group is based in Corwen, North Wales with manufacturing, warehousing and offices accommodation totalling approximately 22,000sq ft. of which circa two thirds is utilised for manufacturing. During the year a warehouse and office block was rented in Wrexham totalling approximately 12,000 sq ft. The Group had 125 employees as of 31 March 2015.

Principal risks and uncertainties

The company is a holding company and the group manufactures a range of healthy natural snack bars, both under its own brands (9bar, Wholebake and Seed Stacked) and also those of its contract customers. As a result the group sources a large proportion of its ingredients from numerous origins around the world, and cost prices can fluctuate markedly according to size and quality of harvests and also currency movements and therefore as at 31 March 2015, the company had formal contracts in place for circa 50% of the following year's ingredient requirements.

The position of the group at the year end


Working Capital – The group had current assets of £4,994,000 compared to current liabilities of £2,891,000 demonstrating good liquidity.

Capital and Reserves – The group have (£1,129,000) of shareholders liabilities largely driven by the amortisation of intangible fixed assets for the period. The operating profit of the group excluding the amortisation charge was £1,300,000 and would result in £171,000 positive shareholder funds.

Analysis based on key performance indicators

The company did not trade during the year. The trading subsidiary, Wholebake Limited, had revenue of £10,887,000 in the period with an operating profit of £308,000.

On behalf of the board


J Kelly
Director

4 December 2015

DIRECTORS' REPORT

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

Principal activities and nature of operations

The principal activity of the company was as a holding company for a group that manufacture natural and vegetarian foods, and develop and sell health related food products. The company was incorporated on 2 June 2014 and the accounting reference date has subsequently been changed to 31 March 2015.

Results and dividends

The results for the year are set out on page 9. The directors do not propose payment of a final dividend at the year end.

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 group 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 group's objectives.

Liquidity risks

The objective of the group in managing risk is to ensure that it can meet its financial obligations as and when they fall due. The group 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.

Customer credit exposure

The group may offer credit terms to its customers which allow payment of the debt after delivery of the goods. The group is at risk to the extent that a customer may be unable to pay the debt on the specified due date. This risk is mitigated by the strong on-going customer relationships and by credit insurance.

Directors

The following directors have held office since 2 June 2014:

| | |
|----------------------------|---|
| A G Secretarial Limited | (appointed 2 June 2014/resigned 16 July 2014) |
| Inhoco Formations Limited | (appointed 2 June 2014/resigned 16 July 2014) |
| Robert Hart | (appointed 2 June 2014/resigned 16 July 2014) |
| M L Gould | (appointed 16 July 2014) |
| R P Shaw | (appointed 24 July 2014) |
| J Kelly | (appointed 24 July 2014) |
| P C E Farquhar | (appointed 24 July 2014) |
| Bridges Ventures LLP | (appointed 16 July 2014) |
| Bridges Community Ventures | (appointed 24 July 2014) |
| Nominee Limited | |

HEALTHFULL HOLDINGS GROUP LIMITED
For the period ended 31 March 2015

DIRECTORS' REPORT (CONTINUED)

Directors' interests

The following directors held interests as follows;

Shares held in Healthfull Holdings Group Limited;

| | Ordinary A No. £/s | B1 No. £/s | B2 No. £/s | C1 No. £/s | C2 No. £/s | TOTAL No. £ |
|----------------------|-----------------------|---------------|---------------|---------------|---------------|----------------|
| ML Gould | | 1,892 0.10 | 1,111 0.10 | 180 0.10 | | 3,183 318.3 |
| RP Shaw | | 810 0.10 | 951 0.10 | 105 0.10 | | 1,866 186.6 |
| J Kelly | | | | 285 0.10 | 57 1.00 | 332 85.5 |
| P C E Farquhar | | | | 114 0.10 | | 114 11.4 |
| Bridges Ventures LLP | 5,532 0.10 | | | | | 5,532 553.2 |

The following directors held fixed rate unsecured loan notes in the wholly owned subsidiary Healthfull Holdings Limited;

**Loan notes in Healthfull
Holdings Limited
£**

| | |
|----------------------|-----------|
| M L Gould | 3,109,954 |
| R P Shaw | 1,823,657 |
| J Kelly | 74,915 |
| P Farquhar | 29,989 |
| Bridges Ventures LLP | 5,679,167 |

Director's indemnities

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

Going concern

The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements.

Charitable and political contributions

The group made charitable donations of £15,000 to Solar Aid during the period.

DIRECTORS'REPORT (CONTINUED)

Auditors

Grant Thornton UK LLP were appointed as auditors on 2 June 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.

Approved by the Board and signed on its behalf by:


J Kelly
Director

4 December 2015

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under the 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.

The directors confirm that:

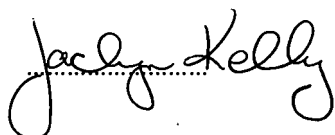
- as far as director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's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

The directors are responsible for preparing the annual report in accordance with applicable law and regulations. 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 is fair, balanced and understandable.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

To the best of my knowledge:

- the company financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and;
- the annual report including the strategic report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties that they face.



4 December 2015

INDEPENDENT AUDITORS' REPORT to the members of Healthfull Holdings Group Limited

We have audited the financial statements of Healthfull Holdings Group Limited for the period ended 31 March 2015 which comprise consolidated statement of total comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of cash flows, consolidated statement of changed in equity and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements' in accordance with applicable law and international standards on auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its loss for the period then ended:
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

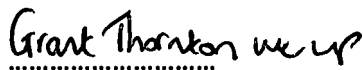
In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT (CONTINUED) to the members of Wholebake 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.



Audit Partner

4 December 2015

Carl Williams
For and on behalf of

Grant Thornton Manchester LLP
4 Hardman Square
Spinningfields
Manchester
M3 3EB

HEALTHFULL HOLDINGS GROUP LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the period ended 31 March 2015

| | Notes | 2015 £'000 |
|--|--------------|-----------------------|
| Turnover | 2 | 10,887 |
| Cost of sales | | <u>(7,459)</u> |
| Gross Profit | | 3,428 |
| Administrative expenses | | (3,838) |
| Other operating income | | <u>27</u> |
| Operating profit | | (383) |
| Interest payable and similar charges | 4 | <u>(839)</u> |
| (Loss)/profit on ordinary activities before taxation | | (1,222) |
| Tax on profit on ordinary activities | 6 | <u>(92)</u> |
| (Loss)/profit for the year and total comprehensive income | 18 | <u><u>(1,130)</u></u> |
| Loss for the financial year attributable to: | | |
| Owners of the parent company | 53.7% | (607) |
| Non-controlling interests | 46.3% | <u>(523)</u> |

The consolidated 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.

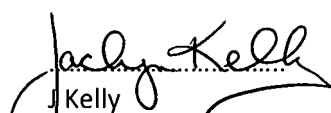
HEALTHFULL HOLDINGS GROUP LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2015

Company Registration No: 09065760

| | Notes | 2015 £'000 |
|--|-------|----------------|
| Fixed assets | | |
| Intangible assets | 7 | 8,329 |
| Tangible assets | 10 | 1,547 |
| | | <u>9,876</u> |
| Current assets | | |
| Stocks | 11 | 978 |
| Debtors | 12 | 2,809 |
| Cash at bank and in hand | | 1,207 |
| | | <u>4,994</u> |
| Creditors: amounts falling due within one year | 13 | <u>(2,891)</u> |
| Net current assets | | <u>2,103</u> |
| Total assets less current liabilities | | 11,979 |
| Creditors: amounts falling due after more than one year | 14 | (12,249) |
| Deferred income | 15 | (192) |
| Deferred tax | 16 | (667) |
| | | <u>(1,129)</u> |
| Capital and reserves | | |
| Called up share capital | 17 | 1 |
| Profit and loss account | 18 | (1,130) |
| Shareholders' liabilities | | <u>(1,129)</u> |

The financial statements were approved and authorised for issue by the Board of Directors on 4 December 2015.

Signed on behalf of the board of directors:

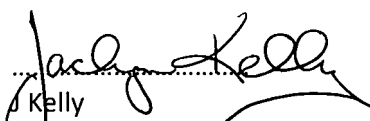

J Kelly
Director

HEALTHFULL HOLDINGS GROUP LIMITED
 COMPANY STATEMENT OF FINANCIAL POSITION
 As at 31 March 2015

Company Registration No: 09065760

| | Notes | 2015 £'000 |
|--|-------|---------------|
| Fixed assets | | |
| Intangible assets | 7 | - |
| Tangible assets | 10 | - |
| | | - |
| Current assets | | |
| Stocks | 11 | - |
| Debtors | 12 | 16 |
| Cash at bank and in hand | | - |
| | | 16 |
| Creditors: amounts falling due within one year | 13 | (15) |
| Net current assets | | 1 |
| Total assets less current liabilities | | 1 |
| Creditors: amounts falling due after more than one year | 14 | - |
| Deferred income | 15 | - |
| Deferred tax | 16 | - |
| | | 1 |
| Capital and reserves | | |
| Called up share capital | 17 | - |
| Profit and loss account | 18 | 1 |
| Shareholders' funds | | 1 |

The financial statements were approved by the Board of Directors on 4 December 2015.
 Signed on behalf of the board of directors:


 J Kelly
 Director

HEALTHFULL HOLDINGS GROUP LIMITED
CONSOLIDATED STATEMENT OF CASHFLOWS
For the period ended 31 March 2015

| | | 2015 £'000 |
|---|----------|-----------------|
| Cash flows from operating activities | | |
| (Loss) for the financial year | (383) | |
| Adjusted for: | | |
| Amortisation of intangible assets | 1,320 | |
| Depreciation of tangible assets | 167 | |
| Taxation | (154) | |
| Deferred government grants released | (26) | |
| Decrease/(increase) in trade and other debtors | (150) | |
| Decrease/(increase) in stocks | (255) | |
| Increase/(decrease) in trade creditors | (357) | |
| Net cash generated from operating activities | | 162 |
| Cash flows from investing activities | | |
| Purchase of tangible fixed assets | (183) | |
| Acquisition of subsidiary | (11,296) | |
| Less cash acquired from subsidiary | 626 | |
| Net cash flow from investing activities | | (10,853) |
| Cash flow from financing activities | | |
| Issue of ordinary share capital | 1 | |
| Issue of loan notes | 10,755 | |
| New bank loan granted | 2,000 | |
| Repayment of bank loans | (250) | |
| Financing set up costs | (505) | |
| Interest paid | (103) | |
| Net cash used in financing activities | | 11,898 |
| Cash and cash equivalents at the beginning of the year | | - |
| Cash and cash equivalents at end of year | | 1,207 |

HEALTHFULL HOLDINGS GROUP LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period ended 31 March 2015

| | Called up share capital £'000 | Profit and loss account £'000 | Amount attributable to owners of parent £'000 | Non- controlling interests £'000 | TOTAL £'000 |
|-------------------------------|--|--|---|---|----------------|
| At 2 June 2014 | | | | | |
| Loss for the year | - | (1,130) | (607) | (523) | (1,130) |
| Other comprehensive income | - | - | - | - | - |
| Shares issued | 1 | - | 1 | - | 1 |
| At 31 March 2015 | 1 | (1,130) | (606) | (523) | (1,129) |

HEALTHFULL HOLDINGS GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 March 2015

1 ACCOUNTING POLICIES

1.1 Company information

Healthfull Holdings Group Limited is a holding company for Healthfull Holdings Limited who have a wholly owned subsidiary Wholebake (Topco) Limited. The company was incorporated on 2 June 2014 and the accounting reference date has subsequently been changed to 31 March 2015. The group's registered office is; Unit 41a Abenbury Way, Wrexham Industrial Estate, Wrexham, United Kingdom, LL13 9UZ.

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.

This is the first year the financial statements have been prepared and the group have taken early adoption of FRS 102. The financial statements are presented in sterling (£).

The group financial statements consolidate the financial statements of Healthfull Holdings Limited, Wholebake (Topco) Limited and Wholebake Limited drawn up to 31 March 2015.

The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own Profit and Loss Account in these financial statements. The parent company's profit for the period was £nil.

The individual company accounts of Healthfull Holdings Group Limited have adopted the following disclosure exemptions: -the requirements to present a statement of cash flows and related notes.

1.3 Going concern

After reviewing the group's forecasts and projections, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable futures. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

1.4 Significant judgements and estimates

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

1.5 Business combinations

Acquisition of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquire plus costs directly attributable to the business combination.

Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities exceeds the cost of the business combination the excess is recognised separately on the face of the consolidated statement of financial position immediately below goodwill.

1 ACCOUNTING POLICIES (CONTINUED)

1.6 Investment in subsidiaries

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the group (its subsidiaries). Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

1.7 Intangible assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment loss. Customer contracts acquired have been valued at fair value and will be amortised over 3 years.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight – line method. Website development costs have been impaired during the year as a new website is due to be launched in July 2015 therefore the amortisation rate has been changed to reflect this.

1.8 Tangible assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed asset, other than freehold land, over their expected useful lives, using the straight – line method. The rates applicable are:

| | |
|------------------------------------|--------------------------------------|
| - Land and buildings leasehold | Over the remaining term of the lease |
| - Plant and machinery | 10% straight line |
| - Fixtures, fittings and equipment | 15% straight line |

1.9 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.

HEALTHFULL HOLDINGS GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 March 2015

1 ACCOUNTING POLICIES (CONTINUED)

1.10 Investments

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

1.11 Stocks and work in progress

Stocks are stated at the lower of cost, using the first in first out method, and selling prices less costs to complete and sell.

1.12 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.

1.13 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.

1.14 Leasing and hire purchase commitments

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and reward of ownership of the leased asset to the group. All other leases are classified as operating leases.

Assets held under finance leases are recognised initially at fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Rents payable under operating leases are charged to profit or loss on a straight – line basis over the lease term unless the rental payments are structured to increase in line with expected general inflation, in which case the group recognises annual rent expense equal to amounts owed to the lessor.

The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

1.15 Provisions for liabilities

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

HEALTHFULL HOLDINGS GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 March 2015

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

1 ACCOUNTING POLICIES (CONTINUED)

1.15 Provisions for liabilities (Continued)

Where the effect of the time value of money is material the amount expected to be required to settle the obligation is recognised at present value using a pre tax discount rate. The unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

The group recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

1.16 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.

Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

- The group is able to control the reversal of the timing difference; and
- It is probable that the timing difference will not reverse in the foreseeable future.

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 group 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

HEALTHFULL HOLDINGS GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 March 2015

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 ACCOUNTING POLICIES (CONTINUED)

1.16 Taxation (continued)

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 group 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.

1.17 Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes.

Sale of goods

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point that the customer has signed for the delivery of goods.

1.18 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.

1.19 Foreign currency translation

In preparing the financial statements of the group, transactions in currencies other than the functional currency of the group 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.

1.20 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets from the point that all recognition conditions have been met. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

1.21 Research and development

HEALTHFULL HOLDINGS GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 March 2015

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the group is expected to benefit.

2 TURNOVER

Turnover, analysed geographically between markets, was as follows:

| | 2015 |
|----------------|---------------|
| | £'000 |
| United Kingdom | 9,889 |
| Europe | 821 |
| Rest of world | 177 |
| | <u>10,887</u> |

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is stated after:

| | 2015 |
|-----------------------------------|-------------------|
| | £'000 |
| Auditors' remuneration; | |
| Audit fees | 21 |
| Other accounting & tax services | 19 |
| Foreign exchange (profits)/losses | (5) |
| Operating lease rentals; | |
| Plant and machinery | 20 |
| Other assets | 76 |
| Government grant amortisation | (26) |
| Research and development expense | 51 |
| | <u> </u> |

4 INTEREST PAYABLE AND SIMILAR CHARGES

| | 2015 |
|-----------------------------------|--------------|
| | £'000 |
| On bank loans and overdrafts | 45 |
| On fixed rate loan notes | 736 |
| Amortisation on loan set up costs | 58 |
| | <u>839</u> |

5 DIRECTORS AND EMPLOYEES

Staff costs during the period were as follows:

| | 2015 |
|-----------------------|--------------|
| | £'000 |
| Wages and salaries | 1,726 |
| Social security costs | 150 |
| Other pension costs | 1 |
| | <u>1,877</u> |

HEALTHFULL HOLDINGS GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 March 2015

The group operates a defined contribution pension scheme for the benefit of two employees. The assets of the scheme are administered by an independent pension provider. Pension payments recognised as an expense during the period amount to £508.

5 DIRECTORS AND EMPLOYEES (CONTINUED)

| | |
|--|-------------|
| The average number of employees of the group during the period was: | 2015 |
| | No. |
| Production | 112 |
| Administration | 13 |
| | <u>125</u> |

| | |
|---|--------------|
| Remuneration in respect of directors was as follows: | 2015 |
| | £'000 |
| Emoluments | <u>234</u> |

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

| | |
|--|--------------|
| The amounts set out above include remuneration in respect of the highest paid director as follows: | 2015 |
| | £'000 |
| Emoluments | <u>80</u> |

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

| | |
|--|--------------|
| The tax (credit)/charge is based on the profit for the year and represents: | 2015 |
| | £'000 |
| UK Corporation Tax | <u>54</u> |
| Deferred taxation: origination/reversal of timing difference | (146) |
| Deferred taxation: changes in rates | - |
| Tax on results of ordinary activities | <u>(92)</u> |

The tax assessed for the year is lower than the standard rate of corporation tax in the United Kingdom at 21%. The differences are explained as follows:

| | |
|---|----------------|
| Loss on ordinary activities before tax | <u>(1,222)</u> |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 21% . | <u>(257)</u> |
| Expenses not deductible for tax purposes | 65 |
| Fixed asset differences | 3 |
| Other tax adjustments, reliefs and transfers | 248 |
| Capital allowances in excess of depreciation | (5) |

HEALTHFULL HOLDINGS GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 March 2015

| | |
|--|-------|
| Origination/reversal of timing differences | (146) |
| | 165 |
| Tax results on ordinary activities | (92) |

6 TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

The aggregate current and deferred tax relating to items that are recognised as items of other comprehensive income is £nil.

During the year the UK corporation tax rate was decreased. Following Budget 2015 announcements, there will be a further reduction in the main rate of corporation tax to 20% from 1 April 2015.

7 INTANGIBLE FIXED ASSETS

| | Trademarks £'000 | Website Development £'000 | Customer Contracts £'000 | Goodwill £'000 | Total £'000 |
|-------------------------|---------------------|---------------------------------|--------------------------------|-------------------|----------------|
| Cost | | | | | |
| Acquisition | 3 | 23 | 4,082 | 5,541 | 9,649 |
| At 31 March 2015 | 3 | 23 | 4,082 | 5,541 | 9,649 |
| Amortisation | | | | | |
| Charge for the period | 1 | 19 | 907 | 393 | 1,320 |
| At 31 March 2015 | 1 | 19 | 907 | 393 | 1,320 |
| Net book amount | | | | | |
| At 31 March 2015 | 2 | 4 | 3,175 | 5,148 | 8,329 |

Amortisation of intangible fixed assets is included in administrative expenses. The group's website is due to be relaunched in July 2015 and therefore the related intangible asset has been amortised accordingly to reflect the useful economic life. The company did not have any intangible assets.

8 INVESTMENTS

| | 2015 £ |
|----------------------------------|-----------|
| Cost at acquisition | 1 |
| Net book amount at 31 March 2015 | 1 |

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 |
|---------------------------------|--|----------|-------------|--------------------|
| Healthfull Holdings Limited | United Kingdom | Ordinary | 100% | Holding Company |

HEALTHFULL HOLDINGS GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 March 2015

| | | | | |
|---------------------------|----------------|----------|------|--------------------|
| Wholebake (Topco) Limited | United Kingdom | Ordinary | 100% | Holding Company |
| Wholebake Limited | United Kingdom | Ordinary | 100% | Food Manufacturing |

9 ACQUISITION OF SUBSIDIARY UNDERTAKING

On 24 July 2014 Healthfull Holdings Group Limited acquired 100% of the issued share capital of Wholebake (Topco) Limited comprising the issue of 9,352 for £1 each in the company. The total consideration was £11,297,000 and the fair value of the investment acquired was £6,564,000. The acquisition has been accounted for under the acquisition method within Heathfull Holdings Limited. The customer contracts acquired had been valued at fair value and will be amortised over 3 years.

| The amounts recognised at the acquisition date were; | Assets & Liabilities | Fair Value Adjustment | Total 24 July 2014 |
|--|----------------------|-----------------------|--------------------|
| | £'000 | £'000 | £'000 |
| Intangible assets | 834 | 4,082 | 4,916 |
| Tangible assets | 1531 | - | 1,531 |
| Stock | 723 | - | 723 |
| Debtors | 2659 | - | 2,659 |
| Cash | 625 | - | 625 |
| Creditors < 1 year | (2860) | - | (2,860) |
| Other Provisions | (350) | (680) | (1,030) |
| | <u>3,162</u> | <u>3,402</u> | <u>6,564</u> |

The goodwill on acquisition was £4,733,000 and will be amortised over 10 years in the consolidated Healthfull Holdings Group Limited accounts. The fair value adjustment in respect of the assets and liabilities acquired relate to the recognition of customer contracts and the associated deferred tax liability.

The profit of Wholebake (Topco) Limited and its trading subsidiary Wholebake Limited, since the acquisition on 24 July 2014 was £193,000.

10 TANGIBLE FIXED ASSETS

| THE GROUP | Land and buildings Leasehold | Plant and machinery | Fixtures, fittings & equipment | Total |
|-------------------------|------------------------------|---------------------|--------------------------------|--------------|
| | £'000 | £'000 | £'000 | £'000 |
| Cost | | | | |
| Acquired on acquisition | 392 | 1,082 | 57 | 1,531 |
| Additions | 59 | 54 | 70 | 183 |
| At 31 March 2015 | <u>451</u> | <u>1,136</u> | <u>127</u> | <u>1,714</u> |
| Amortisation | | | | |
| Charge for the period | 57 | 99 | 11 | 167 |
| At 31 March 2015 | <u>57</u> | <u>99</u> | <u>11</u> | <u>167</u> |

HEALTHFULL HOLDINGS GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 March 2015

Net book amount

| | | | | |
|-------------------------|------------|--------------|------------|--------------|
| At 31 March 2015 | 394 | 1,037 | 116 | 1,547 |
|-------------------------|------------|--------------|------------|--------------|

The company did not have any tangible fixed assets.

11 STOCKS

| | The group 2015 £'000 | The company 2015 £'000 |
|-------------------------------|-------------------------------------|---------------------------------------|
| Raw materials and consumables | 626 | - |
| Work in progress | 7 | - |
| Finished goods | 345 | - |
| | <u>978</u> | <u>-</u> |

Stock recognised in cost of sales during the period as an expense was £5,404,000 . A provision of £55,000 was recognised in cost of sales against stock during the period due to slow – moving stock.

12 DEBTORS

| | The group 2015 £'000 | The company 2015 £'000 |
|------------------------------------|-------------------------------------|---------------------------------------|
| Trade debtors | 2,580 | - |
| Amounts owed by group undertakings | - | 11 |
| Other debtors | 10 | - |
| Prepayments and accrued income | 219 | 5 |
| | <u>2,809</u> | <u>16</u> |

Trade debtors are subject to an invoice discounting facility. An impairment loss of £nil was recognised against trade debtors.

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | The group 2015 £'000 | The company 2015 £'000 |
|---|-------------------------------------|---------------------------------------|
| Bank loans, overdrafts and invoice discounting facility | 487 | - |
| Trade creditors | 1,107 | - |
| Amounts owed to group undertakings | - | 12 |
| Corporation tax | 91 | - |
| Other taxes and social security costs | 392 | - |
| Accruals and deferred income | 814 | 3 |
| | <u>2,891</u> | <u>15</u> |

HEALTHFULL HOLDINGS GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 March 2015

The group meets its day to day working capital requirements through the invoice discounting facility which is repayable on demand. The discounting facility is secured by way of a fixed and floating charge over the assets of the group and by a charge on the group's debtor book.

14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | The group 2015 £'000 | The company 2015 £'000 |
|-----------------------------|----------------------------|------------------------------|
| Bank loans | 1,219 | - |
| Interest bearing loan notes | 11,030 | - |
| | <u>12,249</u> | <u>-</u> |

Bank loans are repayable as follows:

| | The group 2015 £'000 | The company 2015 £'000 |
|-------------------------|----------------------------|------------------------------|
| Within one year | 487 | - |
| Between one to two year | 1,219 | - |
| | <u>1,706</u> | <u>-</u> |

The base rate long term loan was taken out during the acquisition of Wholebake (Topco) Limited. 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. There is a cross guarantee and debenture between Healthcare Holdings Topco Limited, Healthcare Holdings Group Limited, Wholebake (Topco) Limited and Wholebake Limited on the Bank's standard form with supporting security on the Bank's standard forms.

On 24 July 2014 Wholebake (Topco) Limited, the ultimate parent company of Wholebake Limited, was acquired by Healthfull Holdings Group Limited. As part of the acquisition Healthfull Holdings Limited settled the long term bank loans held between Wholebake and Barclays Bank.

| Loan notes | 2015 £'000 |
|--|---------------|
| 5,075,977 Fixed rate unsecured manager loan notes and payment in kind notes | 5,076 |
| 5,679,167 Fixed rate unsecured investor loan notes and payment in kind notes | 5,679 |
| | <u>10,755</u> |

The loan notes are redeemable in 2021, 7 years and incur 10% loan note interest annually. The costs relating to the set up of the loan notes have been matched against the outstanding liability and are being amortised over the life of the loan notes.

| | Loan Notes £'000 | Interest £'000 | Set up costs £'000 | Total net Loan notes £'000 |
|-----------------|---------------------|-------------------|-----------------------|----------------------------------|
| At 24 July 2014 | 10,755 | - | (510) | 10,245 |

HEALTHFULL HOLDINGS GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 March 2015

| | | | | |
|-------------------------|---------------|------------|--------------|---------------|
| Interest accrued | - | 736 | - | 736 |
| Amortised in year | - | - | 49 | 49 |
| At 31 March 2015 | 10,755 | 736 | (461) | 11,030 |

15 DEFERRED INCOME

| | The group | The company |
|----------------------------|------------------|--------------------|
| | 2015 | 2015 |
| | £'000 | £'000 |
| Acquired | 218 | - |
| Amortisation in the period | (26) | - |
| At 31 March 2015 | 192 | - |

Deferred income relates to Welsh government grants issued to Wholebake Limited in December 2005, released over 13 yrs, and in July 2013 released over 7 years.

16 DEFERRED TAX

Deferred taxation provided for at 20% in the financial statements is set out below:

| | The group | The company |
|-------------------------|------------------|--------------------|
| | 2015 | 2015 |
| | £'000 | £'000 |
| On acquisition | 813 | - |
| Income Statement | (146) | - |
| At 31 March 2015 | 667 | - |

The deferred tax liability related to accelerated capital allowances and timing differences on intangible fixed assets. The amount of net reversal of deferred tax expected to occur next year is £203,000 which relates to the reversal of existing timing differences on tabglnle and intangible fixed assets

17 CALLED UP SHARE CAPITAL

| | 2015 |
|---|--------------|
| | £ |
| Authorised, allotted and fully paid: | |
| 3,983 Ordinary A1 shares of 10p each | 398 |
| 1,549 Ordinary A2 shares of 10p each | 155 |
| 2,702 Ordinary B1 shares of 10 each | 270 |
| 2,062 Ordinary B2 shares of 10p each | 206 |
| 855 Ordinary C1 shares of 10p each | 86 |
| 57 Ordinary C2 shares of 100p each | 57 |
| | 1,172 |

| | |
|------------------------|-------------|
| Ordinary Shares | 2015 |
| | £ |

HEALTHFULL HOLDINGS GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 March 2015

| | |
|-------------------------|--------------|
| On acquisition | 1,155 |
| Share issue | 17 |
| At 31 March 2015 | 1,172 |

Consideration received for the allotment of ordinary shares during the period was £17.10.

18 RESERVES

| Company | Profit and loss account £'000 | Total reserves £'000 |
|-------------------------|-------------------------------------|----------------------------|
| On incorporation | - | - |
| Profit for the period | 1 | 1 |
| At 31 March 2015 | 1 | 1 |

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

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

19 CAPITAL COMMITMENTS

The group has capital commitments for £244,000 at 31 March 2015.

20 LEASING COMMITMENTS

The group's future minimum operating lease payments are as follows:

| | The group 2015 £'000 | The company 2015 £'000 |
|----------------------------|----------------------------|------------------------------|
| Within one year | 127 | - |
| Between one and five years | 459 | - |
| Over five years | 27 | - |

The amount of lease payments recognised as an expense in the period was £95,000.

21 TRANSACTIONS WITH RELATED PARTIES

Healthfull Holdings Group Limited has a wholly owned subsidiary, Healthfull Holdings Limited. Healthfull Holdings Limited has a wholly owned subsidiary Wholebake (Topco) Limited, and Wholebake (Topco) Limited has a wholly owned subsidiary Wholebake Limited. Bridges Ventures is the ultimate controlling party of the group.

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.

Guarantees

At 31 March 2015 there was a cross guarantee and debenture between Healthcare Holdings Topco Limited, Healthcare Holdings Group Limited, Wholebake (Topco) Limited and Wholebake Limited on the Bank's standard form with supporting security on the Bank's standard forms.

Key management

HEALTHFULL HOLDINGS GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 March 2015

The key management of the company are considered to be the directors. The total directors remuneration for the period, including employers NI, was £265,000 of which the amount relating to the highest paid director is £91,000.

21 TRANSACTIONS WITH RELATED PARTIES (continued)

During the year one director, J Kelly, had a loan of £10,000. The full amount was outstanding at 31 March 2015.

22 FINANCIAL RISK MANAGEMENT

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 group 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 group's objectives.

Liquidity risks

The objective of the group in managing risk is to ensure that it can meet its financial obligations as and when they fall due. The group 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.

Customer credit exposure

The group may offer credit terms to its customers which allow payment of the debt after delivery of the goods. The group is at risk to the extent that a customer may be unable to pay the debt on the specified due date. This risk is mitigated by the strong on-going customer relationships and by credit insurance.

23 TRANSITION TO FRS 102

The Group has now adopted FRS 102 for the period ended 31 March 2015. There were no comparatives to restate as this was the first year of trading for Healthfull Holdings Group Limited.

24 FINANCIAL ASSETS AND LIABILITIES

Group

| | 2015 £'000 |
|--|---------------|
| Financial liabilities measured at fair value through profit and loss | 5,206 |
| Financial assets measured at amortised cost | 3,787 |
| Financial liabilities measured at amortised cost | 9,451 |