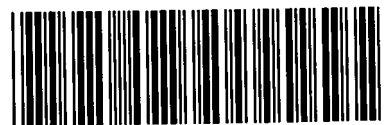


VITAFLO (INTERNATIONAL) LIMITED

STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

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VITAFLO (INTERNATIONAL) LIMITED

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VITAFLO (INTERNATIONAL) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

BUSINESS REVIEW

The performance achieved during the year is set out in the Profit and loss account on page 6.

Turnover increased year on year by 13.5%.

The results of the company show a pre-tax profit of £27,104,000 (2012 - £11,328,000) for the year and turnover of £27,659,000 (2012 - £24,363,000).

The company has net current assets of £3,503,000 (2012 - £42,645,000).


PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business of the company and the execution of its strategy are subject to a number of risks and uncertainties, including a difficult economic environment, a strong competitive environment, currency fluctuations, further trade consolidation, product innovation, employee retention and volatility in input costs.

The directors of the company are aware of these risks and strategic decisions are made to manage these risks appropriately. These will include monitoring the performance of key brands, review of costs and the credit exposure to customers. The decision-making process and the assessment of business performance is supported by the experience of the management team, regular sales volume and value data and monthly management accounts, split by business channel.

The group internal audit department monitors the operational risks of all parts of the business on a rotational/sample basis and will recommend improvements to business processes and controls to assist in the mitigation of identified business risks.

This report was approved by the board on 24 July 2014 and signed on its behalf.



C F Charlesworth
Director

VITAFLO (INTERNATIONAL) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report and the financial statements for the year ended 31 December 2013.

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review was that of the development, manufacture and distribution of clinical nutritional products for the dietary management of various clinical conditions. The company supplies these products internationally in over 10 countries.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £25,711,000 (2012 - £9,847,000).

Interim dividends of £65,000,000 were paid during the year (2012 - £NIL), and the directors have not proposed a final dividend in respect of the current financial year (2012 - £NIL).

DIRECTORS

The directors who served during the year were:

C F Charlesworth
M O'Donnell

Certain directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

REGISTERED OFFICE

The company's registered office and principal trading address is:

Suite 1.11, South Harrington Building,
182 Sefton Street,
Brunswick Business Park
Liverpool
L3 4BQ

ENVIRONMENTAL MATTERS

The company seeks to develop business practices and behaviour, which meet the highest standards of responsibility towards the environment. The company sees conservation and development as mutually reinforcing each other in pursuit of sustainable growth. The company seeks to go beyond mere compliance with the law, which it willingly embraces, to achieve, in particular, savings of energy and resources, and the reduction of waste and effluent in all its forms.

RESEARCH AND DEVELOPMENT ACTIVITIES

R&D activities within the company include the development of new clinical nutrition products in the dietary management of inborn errors of metabolism and certain specific diseases as well as in the treatment of disease related malnutrition.

VITAFLO (INTERNATIONAL) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

EMPLOYEE INVOLVEMENT

Employees are recognised as key assets of the company and their quality and motivation are essential for the company to compete successfully in its markets. To help achieve corporate aims and objectives, the company maintains and develops formal and informal systems of communication with its employees to discuss matters of mutual interest. Information on matters of concern to employees is given through bulletins, meetings, reports and newsletters, and includes information to enable them to gain awareness of financial and economic factors affecting the company.

The company fully supports the rights of individuals to seek, obtain and hold employment without discrimination on the grounds of race, colour, religion, origin, sex, sexual orientation, disability or marital status. The company seeks to provide a working environment free of any harassment or intimidation. Policies relating to training, career development and succession are applied equally to disabled and able bodied employees. Employees who become disabled are retained, where possible, through redeployment and retraining, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Occupational Health and Safety continued to receive the same high profile in 2013 with a commitment across all areas of the business to sustain the continual improvement in performance. Proactive preventative Occupational Health and Safety systems auditing continues and demonstrates increasing performance and the development of plans to continue with continual increase in performance.

MATTERS COVERED IN THE STRATEGIC REPORT

The business review and principal risks and uncertainties for the company are now included in the Strategic Report.

PROVISION OF INFORMATION TO AUDITOR

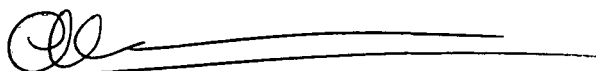
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

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

AUDITOR

KPMG Audit Plc resigned as auditor on 12 November 2013 pursuant to section 516 of the Companies Act 2006. On 20 November 2013 the directors appointed KPMG LLP as auditor of the company to fill the casual vacancy as auditor under section 485(3) of the Companies Act 2006.

This report was approved by the board on 24 July 2014 and signed on its behalf.



C F Charlesworth
Director

VITAFLO (INTERNATIONAL) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VITAFLO (INTERNATIONAL) LIMITED

We have audited the financial statements of Vitaflo (International) Limited for the year ended 31 December 2013, set out on pages 6 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Will Baker (Senior statutory auditor)
for and on behalf of
KPMG LLP
Chartered Accountants
Registered Auditor
8 Princes Parade
Liverpool, L3 1QH

24 July 2014

VITAFLO (INTERNATIONAL) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 £000	2012 £000
TURNOVER	1,2	27,659	24,363
Cost of sales		<u>(15,518)</u>	<u>(12,893)</u>
GROSS PROFIT		12,141	11,470
Administrative expenses		(6,042)	(5,673)
Exceptional administrative expenses		-	(1,100)
Total administrative expenses		<u>(6,042)</u>	<u>(6,773)</u>
OPERATING PROFIT	3	6,099	4,697
Income from shares in group undertakings		1,874	2,473
Profit on disposal of investments	10	19,074	4,058
Interest receivable and similar income	7	57	100
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		27,104	11,328
Tax on profit on ordinary activities	8	<u>(1,393)</u>	<u>(1,481)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>25,711</u>	<u>9,847</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account.

The notes on pages 8 to 18 form part of these financial statements.

VITAFLO (INTERNATIONAL) LIMITED
REGISTERED NUMBER: 03380926

BALANCE SHEET
AS AT 31 DECEMBER 2013

	Note	£000	2013 £000	£000	2012 £000
FIXED ASSETS					
Tangible assets	9		661		682
Investments	10		27		153
			<u>688</u>		<u>835</u>
CURRENT ASSETS					
Stocks	11	4,961		4,392	
Debtors	12	6,406		34,820	
Cash at bank		4,231		9,111	
		<u>15,598</u>		<u>48,323</u>	
CREDITORS: amounts falling due within one year	13	(12,095)		(5,678)	
NET CURRENT ASSETS			<u>3,503</u>		<u>42,645</u>
NET ASSETS			<u>4,191</u>		<u>43,480</u>
CAPITAL AND RESERVES					
Called up share capital	15		625		625
Share premium account	16		17		17
Capital redemption reserve	16		170		170
Profit and loss account	16		3,379		42,668
SHAREHOLDERS' FUNDS	17		<u>4,191</u>		<u>43,480</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 July 2014.



C F Charlesworth
Director

The notes on pages 8 to 18 form part of these financial statements.

VITAFLO (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

1.1 Basis of preparation of financial statements

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

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The largest group in which the results of the company are consolidated is headed by Nestlé S.A. The consolidated financial statements of Nestlé S.A. within which this company is included, can be obtained from the address given in note 23.

1.2 Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report and Directors' Report on pages 1 to 3.

The company is expected to continue to generate positive cash flows on its own account for the foreseeable future. The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

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

1.3 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.4 Turnover

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

The risks and rewards are transferred on delivery.

VITAFLO (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES (continued)

1.5 Tangible fixed assets and depreciation

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

Plant & machinery	-	15%
Fixtures & fittings	-	15 - 20%
Computer equipment	-	25%

Depreciation is calculated on a straight line basis for each asset class.

1.6 Investments

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

1.7 Operating leases

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

1.8 Stocks and work in progress

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

1.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

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

1.10 Research and development

Research and development expenditure is written off in the year in which it is incurred.

1.11 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

VITAFLO (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES (continued)

1.12 Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

2. TURNOVER

Turnover is stated net of value added tax.

The directors believe that it would be seriously prejudicial to the interests of the company to disclose the geographical split of turnover.

All turnover arises from the company's principal business activity.

3. OPERATING PROFIT

The operating profit is stated after charging:

	2013 £000	2012 £000
Depreciation of tangible fixed assets:		
- owned by the company	292	227
Operating lease rentals:		
- plant and machinery	443	397
Loss on sale of tangible assets	16	1
Exceptional administration costs (on face of P&L a/c)	-	1,100

Exceptional administration costs in 2012 of £1,100,000 related to a provision against amounts owed by group undertakings, which had a £NIL tax impact in the year.

VITAFLO (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

4. AUDITOR'S REMUNERATION

	2013 £000	2012 £000
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	28	28
Fees payable to the company's auditor and its associates in respect of: All other non-audit services not included above	46	-
	<u>74</u>	<u>28</u>

The 2012 auditor remuneration figure for statutory audit services relates solely to amounts paid to KPMG Audit Plc. The 2013 amounts relate solely to amounts payable to KPMG LLP.

5. STAFF COSTS

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

	2013 £000	2012 £000
Wages and salaries	5,128	4,006
Social security costs	595	501
Other pension costs	189	143
	<u>5,912</u>	<u>4,650</u>

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

	2013 No.	2012 No.
Production	33	28
Research & Development	29	24
Marketing	44	36
Administration	10	9
Directors	2	2
	<u>118</u>	<u>99</u>

6. DIRECTORS' REMUNERATION

	2013 £000	2012 £000
Remuneration	246	421
Company pension contributions to defined contribution pension schemes	11	11

During the year retirement benefits were accruing to 2 directors (2012 - 2) in respect of defined contribution pension schemes.

VITAFLO (INTERNATIONAL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

6. DIRECTORS' REMUNERATION (continued)

The highest paid director received remuneration of £141,000 (2012 - £298,000).

Company pension contributions of £6,000 (2012 - £6,000) were made to a money purchase scheme on their behalf.

7. INTEREST RECEIVABLE

	2013 £000	2012 £000
Other interest receivable	57	100

8. TAXATION

	2013 £000	2012 £000
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	1,363	1,477
Adjustments in respect of prior periods	(27)	55
Total current tax	1,336	1,532
Deferred tax		
Origination and reversal of timing differences	85	(62)
Decrease in tax rate	1	11
Adjustment in respect of previous years	(29)	-
Total deferred tax (see note 14)	57	(51)
Tax on profit on ordinary activities	1,393	1,481

VITAFLO (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

8. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2012 - lower than) the standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%). The differences are explained below:

	2013 £000	2012 £000
Profit on ordinary activities before tax	27,104	11,328
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	6,302	2,775
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	16	313
Capital allowances for year in excess of depreciation	29	18
Adjustments to tax charge in respect of prior periods	(27)	55
Increase or decrease in pension fund prepayment leading to an increase (decrease) in tax	(6)	6
Other timing differences leading to an increase (decrease) in taxation	(108)	38
Non-taxable income	(436)	(679)
Non-taxable profits arising on disposal of investment undertakings	(4,434)	(994)
Current tax charge for the year (see note above)	1,336	1,532

9. TANGIBLE FIXED ASSETS

	Plant & machinery £000	Fixtures & fittings £000	Computer equipment £000	Total £000
Cost				
At 1 January 2013	183	928	239	1,350
Additions	108	78	102	288
Disposals	(36)	-	-	(36)
At 31 December 2013	255	1,006	341	1,602
Depreciation				
At 1 January 2013	77	474	117	668
Charge for the year	39	192	61	292
On disposals	(19)	-	-	(19)
At 31 December 2013	97	666	178	941
Net book value				
At 31 December 2013	158	340	163	661
At 31 December 2012	106	454	122	682

VITAFLO (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

10. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2013	153
Disposals	(126)
	<hr/>
At 31 December 2013	27
	<hr/>
Net book value	
At 31 December 2013	27
	<hr/>
At 31 December 2012	153
	<hr/>

Subsidiary undertakings

The principal undertakings in which the company's direct interest at the period end is more than 20% of ordinary shares is shown below.

Name	Country of incorporation	Holding
Vitaflor France SARL	France	100 %
Vitaflor Saglik ve Gida Urunleri San. ve Tic. Ltd. Sti.	Turkey	100 %

The principal activity of all of the subsidiaries is that of distribution of clinical products.

Dormant or non-trading companies have not been listed.

On the 7 January 2013, Vitaflor Saglik ve Gida Urunleri San. ve Tic. Ltd. Sti. sold its trade and assets to Nestlé Türkiye Gıda Sanayi Anonim Şirketi.

On the 31 March 2013, the company disposed of 100% of its shares in Vitaflor Australia Pty Limited to Nestlé Australia Limited which were held at a cost of £2 for £6.8m and 100% of its shares in Vitaflor USA LLC to Nesco 1 LLC which were held at a cost of £552 for £5.9m.

On the 1 April 2013, the company disposed of 100% of its shares in Vitaflor Pharma GmbH to Nestlé Deutschland Aktiengesellschaft which were held at a cost of £125,177. The consideration for the sale was £6.5m.

11. STOCKS

	2013 £000	2012 £000
Raw materials	1,583	1,480
Work in progress	156	511
Finished goods and goods for resale	3,222	2,401
	<hr/>	<hr/>
	4,961	4,392
	<hr/>	<hr/>

VITAFLO (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

12. DEBTORS

	2013 £000	2012 £000
Due within one year		
Trade debtors	3,991	2,805
Amounts owed by group undertakings	1,370	31,282
Other debtors	562	232
Prepayments and accrued income	469	430
Deferred tax asset (see note 14)	14	71
	<u>6,406</u>	<u>34,820</u>

13. CREDITORS:

Amounts falling due within one year

	2013 £000	2012 £000
Trade creditors	2,239	2,658
Amounts owed to group undertakings	6,787	286
Corporation tax	1,363	1,477
Other taxation and social security	554	227
Other creditors	618	206
Accruals and deferred income	534	824
	<u>12,095</u>	<u>5,678</u>

VITAFLO (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

14. DEFERRED TAX ASSET

	2013 £000	2012 £000
At beginning of year	71	20
(Charge for)/released during year (P&L)	(57)	51
At end of year	<u>14</u>	<u>71</u>

The deferred tax asset is made up as follows:

	2013 £000	2012 £000
Difference between accumulated depreciation and amortisation and capital allowances	14	(16)
Other timing differences	-	87
	<u>14</u>	<u>71</u>

The main rate of UK corporation tax reduced from 24% to 23% with effect from 1 April 2013. Legislation to reduce the main rate of corporation tax from 23% to 21% with effect from 1 April 2014 and a further reduction to 20% with effect from 1 April 2015 was included in Finance Act 2013. These tax changes became substantively enacted on 2 July 2013 and therefore the effect of the rate reduction on the deferred tax balances as at 31 December 2013 has been included in the figures above.

15. SHARE CAPITAL

	2013 £000	2012 £000
Allotted, called up and fully paid 625,000 Ordinary shares of £1 each	<u>625</u>	<u>625</u>

16. RESERVES

	Share premium account £000	Capital redempt'n reserve £000	Profit and loss account £000
At 1 January 2013	17	170	42,668
Profit for the financial year	-	-	25,711
Dividends	-	-	(65,000)
At 31 December 2013	<u>17</u>	<u>170</u>	<u>3,379</u>

VITAFLO (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2013 £000	2012 £000
Opening shareholders' funds	43,480	33,633
Profit for the financial year	25,711	9,847
Dividends (Note 18)	(65,000)	-
Closing shareholders' funds	4,191	43,480

18. DIVIDENDS

	2013 £000	2012 £000
Ordinary		
Interim dividend paid in respect of current period	65,000	-
	65,000	-

19. PENSION COMMITMENTS

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £189,000 (2012 - £143,000).

Contributions amounting to £NIL (2012 - £25,000) were payable to the scheme at the period end and are included in creditors.

20. OPERATING LEASE COMMITMENTS

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2013 £000	2012 £000	2013 £000	2012 £000
Expiry date:				
Within 1 year	253	-	50	-
Between 2 and 5 years	48	318	169	157

21. RELATED PARTY TRANSACTIONS

The company is controlled by Vitaflo International Holdings Limited.

VITAFLO (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

22. POST BALANCE SHEET EVENTS

On 10 April 2014 Vitaflo (International) Limited ("VIL") was sold by Vitaflo International Holdings Limited to Nestlé Holdings (U.K.) PLC as part of a group restructure. The transaction has resulted in a change in immediate parent company however the ultimate control of VIL is unchanged. See Note 23.

23. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

Vitaflo International Holdings Limited, which is registered in England and Wales, is the Company's immediate parent company.

The ultimate holding company is Nestlé S.A., CH-1800 Vevey, Switzerland which is incorporated in Switzerland, from whom copies of their group accounts can be obtained.