

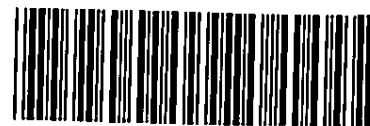
Company Registration No: 3839710

BRAES GROUP LIMITED

Report and Financial Statements

31 December 2008

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BRAES GROUP LIMITED

REPORT AND FINANCIAL STATEMENTS

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BRAES GROUP LIMITED

REPORT AND FINANCIAL STATEMENTS

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

AM Wainwright
FM Gaydier
D Lozano Lozano

SECRETARY

A G Hunter

REGISTERED OFFICE

Masters House
107 Hammersmith Road
London
W14 0QH

BANKERS

Bank of Scotland
39 Threadneedle Street
London
EC2B 2PS

AUDITORS

Deloitte LLP
Chartered Accountants
Nottingham

BRAES GROUP LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2008.

ACTIVITIES

The company is an intermediate holding company and expects to continue as an intermediate holding company in the future.

This directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4)(a) of the Companies Act 1985.

RESULTS AND DIVIDENDS

The profit after taxation is £ 884,000 (2007: £626,000) as shown in the profit and loss account on page 5. The directors do not recommend the payment of a dividend (2007: Nil).

GOING CONCERN

The directors have considered the nature of the operations of the company and have prepared the financial statements on the going concern basis. The company has limited liabilities at year end, no expenditure expected in the forthcoming year and it has substantial net assets.

The directors have a reasonable expectation that the company has adequate resources to meet any obligations that may fall due and continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

DIRECTORS

The directors who served during the period were:

A M Wainwright

F M Gaydier (appointed 19 June 2008)

D Lozano Lozano (appointed 18 June 2009)

H Monzo Oltra (resigned 19 June 2008)

J V Pons Andreu (resigned 19 June 2008)

F Gregori Bohigues (resigned 18 June 2009)

BRAES GROUP LIMITED

DIRECTORS' REPORT

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that:

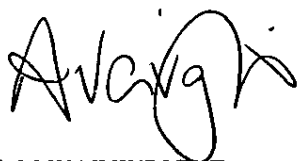
(1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and

(2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Deloitte LLP have expressed their willingness to continue in office as auditors of the company.

Approved by the Board of Directors
and signed on behalf of the Board



A M WAINWRIGHT

Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRAES GROUP LIMITED

We have audited the financial statements of Braes Group Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet and the related notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

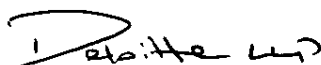
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



Deloitte LLP

Chartered Accountants and Registered Auditors

Nottingham, UK

29 October 2009

BRAES GROUP LIMITED

PROFIT AND LOSS ACCOUNT **Year ended 31 December 2008**

	Note	2008 £'000	2007 £'000
Administration expenses		774	400
OPERATING PROFIT	2	774	400
Interest receivable and similar income	3	205	181
Interest payable and similar charges	4	(95)	(59)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		884	522
Tax credit on profit on ordinary activities	6	-	104
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	10, 11	884	626

There are no recognised gains and losses for the current financial period and preceding financial period other than as stated in the profit and loss account above, accordingly no statement of total recognised gains and losses has been presented.

All results derive from continuing operations.

BRAES GROUP LIMITED

BALANCE SHEET 31 December 2008

	Note	2008 £'000	2007 £'000
CURRENT ASSETS			
Debtors	7	6,498	4,846
Cash at bank and in hand		2	2
		<u>6,500</u>	<u>4,848</u>
CREDITORS: amounts falling due within one year	8	(4,968)	(4,200)
		<u>1,532</u>	<u>648</u>
NET ASSETS			
CAPITAL AND RESERVES			
Called up share capital	9	927	927
Profit and loss account	10	605	(279)
		<u>1,532</u>	<u>648</u>
SHAREHOLDERS' FUNDS	11		

The financial statements were approved by the Board of Directors and authorised for issue on 28 October 2009.

Signed on behalf of the Board of Directors



A M WAINWRIGHT
Director

Company No. 3839710

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2008

1. ACCOUNTING POLICIES

The financial statements are prepared on a going concern basis under the historical cost convention, the accounting policies set out below and in accordance with applicable United Kingdom accounting standards.

A summary of the major accounting policies, which have been consistently applied is set out below.

Consolidation

Under s228 of the Companies Act 1985, the company is exempt from the requirement to prepare consolidated accounts as the company is included within the consolidated accounts of Natraceutical SA, the ultimate parent undertaking.

Cashflow statement

The company is a wholly owned subsidiary of Natraceutical SA. Accordingly, the company has taken advantage of the exemption under the terms of Financial Reporting Standard No.1 (revised) not to publish a cashflow statement.

Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are converted to sterling at the rate ruling at the period end. Gains and losses on exchange are dealt with through the profit and loss account.

Investments

Fixed asset investments are shown at cost less provision for impairment. Income is included in the accounts in the year in which it is receivable.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its accounting profits arising from gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax assets are regarded as recoverable and recognised in the financial statements when, on the basis of available evidence, it is more likely than not that there will be suitable profits from which future reversal of the timing differences can be deducted. The deferred tax assets and liabilities are not discounted.

2. OPERATING PROFIT

Operating profit is after charging/(crediting):	2008	2007
	£'000	£'000
Fees payable to the company's auditor for the audit of the company's annual accounts	3	3
Exchange gain	(802)	(433)
	<u> </u>	<u> </u>

BRAES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2008

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2008 £'000	2007 £'000
Interest receivable from group companies	205	181

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2008 £'000	2007 £'000
Interest payable to group companies	72	59
Other interest	23	-
	95	59

5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The company does not have any employees (2007: Nil) and the directors received no remuneration (2007: Nil).

The directors are remunerated by other companies within the group and it is not practicable to allocate their remuneration to the company.

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2008 £'000	2007 £'000
Group tax relief receivable – prior period	-	(104)

The tax credit for the period is different from that resulting from applying the standard rate of corporation tax in the UK. The differences are explained below:

	2008 £'000	2007 £'000
Profit on ordinary activities before tax	884	522
UK corporation tax at 28.5% (2007: 30%)	252	157
Effects of:		
Movement in deferred tax asset not recognised	(252)	(157)
Prior year adjustments	-	(104)
Current tax credit for the year	-	(104)

BRAES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2008

7. DEBTORS

	2008 £'000	2007 £'000
Amounts due in less than one year:		
Amounts owed by group undertakings	6,498	4,845
Other debtors	-	1
	<u>6,498</u>	<u>4,846</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £'000	2007 £'000
Trade creditors	1	2
Amounts owed to group undertakings	4,965	4,197
Accruals and deferred income	2	1
	<u>4,968</u>	<u>4,200</u>

Amounts owed to group undertakings are repayable on demand, unsecured and bear interest at varying rates of interest.

9. CALLED UP SHARE CAPITAL

	2008 £'000	2007 £'000
Authorised, allotted and fully paid		
1,050,000 ordinary shares of £1 each	<u>1,050</u>	<u>1,050</u>
Called up, allotted and fully paid		
927,500 ordinary shares of £1 each	<u>927</u>	<u>927</u>

10. PROFIT AND LOSS ACCOUNT

	2008 £'000	2007 £'000
At 1 January 2008	(279)	(905)
Profit for the financial year	<u>884</u>	<u>626</u>
At 31 December 2008	<u>605</u>	<u>(279)</u>

BRAES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2008

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS/(DEFICIT)

	2008 £'000	2007 £'000
Retained profit for the year	884	626
Opening shareholders' funds	648	22
Closing shareholders' funds	<u>1,532</u>	<u>648</u>

12. DEFERRED TAXATION

	Recognised 2008 £'000	Unrecognised 2008 £'000	Recognised 2007 £'000	Unrecognised 2007 £'000
Deferred tax asset	-	3,048	-	3,310

The total unrecognised deferred tax asset at 31 December 2008 is £ 3,048,000 comprising tax losses of £3,004,000 (2007: £3,233,000), short-term timing differences of £43,000 (2007: £75,000) and accelerated capital allowances of £1,000 (2007: £2,000). The deferred tax asset has not been recognised due to lack of expected future profits.

13. ULTIMATE PARENT COMPANY

The company's ultimate parent company and controlling party is Natra S.A., a company incorporated in Spain.

The smallest group of which Braes Group Limited is a member and for which group accounts are prepared is that headed by Natraceutical S.A. The largest group of which Braes Group Limited is a member and for which group accounts are prepared is that headed by Natra S.A..

The consolidated accounts for Natraceutical S.A. and Natra S.A. are available to the public and may be obtained from Natraceutical S.A., Plaza America, 2 Planta 10, 46004 Valencia, Spain and Natra S.A., Autovia A-3, Salida 343, s/n 46930 Quart de Poblet, Valencia, Spain.

14. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption granted by paragraph 3(c) of Financial Reporting Standard No. 8, not to disclose related party transactions with group companies.