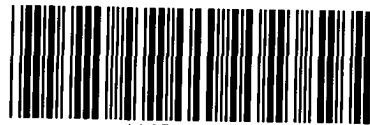


**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013  
FOR  
NUTRA INGREDIENTS LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2013**

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**NUTRA INGREDIENTS LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**DIRECTORS:**

T V Dawson  
N A Richardson

**SECRETARY:**

T V Dawson

**REGISTERED OFFICE:**

Unit 2  
Fairgate Trading Estate  
Eastergate Road  
Brighton  
Sussex  
BN2 4QL

**REGISTERED NUMBER:**

05077690 (England and Wales)

**AUDITORS:**

Watson Associates (Audit Services) Ltd  
Statutory Auditor  
30 - 34 North Street  
Hailsham  
East Sussex  
BN27 1DW

## **NUTRA INGREDIENTS LIMITED**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2013**

The directors present their report with the financial statements of the company for the year ended 31 December 2013.

#### **REVIEW OF BUSINESS**

Nutra Ingredients Ltd (Nutra) is a specialist supplier of high quality Nutritional and Dietary Supplement materials and finished products. It was acquired by the Custom Healthcare Group (CHL) in October 2013. CHL is the holding company for trading activities undertaken by its subsidiaries Custom Pharmaceuticals Ltd (CPL) and Nutra. The group operates in the pharmaceutical outsourcing, contract manufacturing and Nutraceuticals (Nutritional and Dietary) raw material sector. The majority of group trading activities involve the manufacture and supply of prescription medicines in solid dose form, tablets and capsules.

2013 proved to be a year in which Nutra returned to profits due to strong focus on core strengths and products by new management. Nutra has a small but growing product range of niche materials that are in strong demand from development led customers throughout the EU.

Revenues were up significantly at £200,000 (£82,000 in 2012). Trading performance was satisfactory for a turnaround year with an underlying small loss before tax and a one off trading opportunity that increased profit before tax significantly to a figure of £135,000. This year's results represent a significant turnaround on previous trading periods. This major improvement provides a platform on which to build future trading patterns of enhanced performance. In 2013 Nutra also provided development and manufacturing services to a new high profile customer for a novel sports supplement range. This additional service underpins the raw material supply business and adds value to the Nutra offering as a finished product source and supply business.

Nutra will continue to grow sales in raw materials with the addition of further nice ranges of products such as fruit powders and extracts, sports supplements and vegetarian ingredients. These products are all in strong demand given public awareness about the importance of a healthy diet and the need to improve dietary intake.

Nutra has worked hard in 2013 to establish a strong foundation of quality and compliance offering a range of quality raw materials focussed on vegetarian, healthy diet, as well as materials that are tested to be free from WADA (World Anti-Doping Agency) banned substances. Customer service levels have also improved rapidly as the year progressed to a point where deliveries are made consistently and stocks are held to ensure fast response time for regular and spot buying customers.

Post year end performance has continued strongly with first half results ahead of budget for 2014.

#### **DIRECTORS**

T V Dawson has held office during the whole of the period from 1 January 2013 to the date of this report.

Other changes in directors holding office are as follows:

N A Richardson - appointed 14 March 2013

M Sumner - resigned 31 January 2013

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

**NUTRA INGREDIENTS LIMITED**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued**

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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

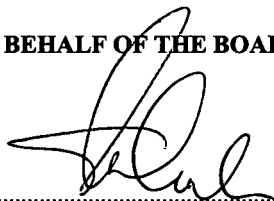
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Watson Associates (Audit Services) Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**



.....  
N A Richardson - Director

Date: 3rd July 2014

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF NUTRA INGREDIENTS LIMITED**

We have audited the financial statements of Nutra Ingredients Limited for the year ended 31 December 2013 on pages six to nine. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

### **Scope of the audit of the financial statements**

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

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
NUTRA INGREDIENTS 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.



Stephen James Moore (Senior Statutory Auditor)  
for and on behalf of Watson Associates (Audit Services) Ltd  
Statutory Auditor  
30 - 34 North Street  
Hailsham  
East Sussex  
BN27 1DW

Date: 3/7/2014

**NUTRA INGREDIENTS LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Notes	2013 £'000	2012 £'000
<b>TURNOVER</b>		207	82
Cost of sales		<u>180</u>	<u>69</u>
<b>GROSS PROFIT</b>		27	13
Administrative expenses		<u>(108)</u>	<u>68</u>
<b>OPERATING PROFIT/(LOSS) and PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	135	(55)
Tax on profit/(loss) on ordinary activities	4	<u>-</u>	<u>-</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<u>135</u>	<u>(55)</u>

The notes form part of these financial statements



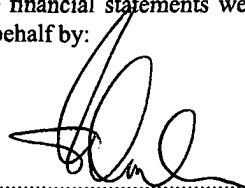
**NUTRA INGREDIENTS LIMITED (REGISTERED NUMBER: 05077690)**

**BALANCE SHEET  
31 DECEMBER 2013**

	Notes	2013 £'000	2012 £'000
<b>CURRENT ASSETS</b>			
Stocks		8	16
Debtors	5	29	6
Cash at bank		1	3
		<u>38</u>	<u>25</u>
<b>CREDITORS</b>			
Amounts falling due within one year	6	7	291
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>31</u>	<u>(266)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		31	(266)
<b>CREDITORS</b>			
Amounts falling due after more than one year	7	162	-
<b>NET LIABILITIES</b>		<u>(131)</u>	<u>(266)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	-	-
Profit and loss account	9	(131)	(266)
<b>SHAREHOLDERS' FUNDS</b>		<u>(131)</u>	<u>(266)</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Directors on 3rd July 2014 and were signed on its behalf by:



N A Richardson - Director

The notes form part of these financial statements

## NUTRA INGREDIENTS LIMITED

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

#### 1. ACCOUNTING POLICIES

##### Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

##### Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

##### Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

##### Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

##### Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

#### 2. OPERATING PROFIT/(LOSS)

The operating profit (2012 - operating loss) is stated after charging:

	2013 £'000	2012 £'000
Foreign exchange differences	-	1
	<u>          </u>	<u>          </u>
	2013 £	2012 £
Directors' remuneration and other benefits etc	-	29,700
	<u>          </u>	<u>          </u>

#### 3. EXCEPTIONAL ITEMS

During the year Nutra Ingredients Limited have written off loans received from Concordis Limited & Conventus Limited both registered in Hong Kong of £152,896 & £5,667 respectively.

Both companies are under common control since the acquisition of Nutra Ingredients Limited by Custom Healthcare Limited.

#### 4. TAXATION

##### Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2013 nor for the year ended 31 December 2012.

#### 5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £'000	2012 £'000
Trade debtors	23	5
Other debtors	6	1
	<u>          </u>	<u>          </u>
	29	6
	<u>          </u>	<u>          </u>

# **NUTRA INGREDIENTS LIMITED**

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

### **6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2013	2012
	£'000	£'000
Trade creditors	5	1
Amounts owed to group undertakings	-	159
Amounts owed to associates	-	110
Taxation and social security	1	1
Other creditors	1	20
	<u>7</u>	<u>291</u>

### **7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2013	2012
	£'000	£'000
Amounts owed to group undertakings	<u>162</u>	<u>-</u>

As at the year end, £162k (2011 : £110k) was owed to Custom Pharmaceuticals Limited a fellow 100% subsidiary of Custom Healthcare Limited. It is with this support that the company is considered to be a going concern. The shareholders of Custom Healthcare Limited have indicated that they will continue to support the company for the foreseeable future, and will not request repayment of the loan within the next 12 months.

### **8. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			2013	2012
Number:	Class:	Nominal value:	£	£
1	Ordinary shares	£1	<u>1</u>	<u>1</u>

### **9. RESERVES**

	Profit and loss account £'000
At 1 January 2013	(266)
Profit for the year	<u>135</u>
At 31 December 2013	<u>(131)</u>

### **10. ULTIMATE PARENT COMPANY**

On 31 October 2013, Custom Healthcare Limited acquired 100% of the issued share capital of Nutra Ingredients Limited from Affinitas Limited a company based in Hong Kong.

### **11. RELATED PARTY DISCLOSURES**

As a wholly owned subsidiary of Custom Healthcare Limited the company has taken advantage of exemption, under the terms of Financial Reporting Standard 8 Related Party Disclosures, not to disclose related party transactions with other members of the group, as consolidated accounts are prepared in the parent company.

### **12. ULTIMATE CONTROLLING PARTY**

The company's ultimate controlling party is the Rudd Family Trust, based in the USA.