

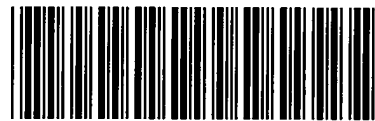
Registered No. 05183743

Ella's Kitchen (Brands) Limited

Report and Financial Statements

For the year ended 30 June 2014

THURSDAY



A440804X

A20

26/03/2015

#159

COMPANIES HOUSE

Contents of the financial statements

	Page
Company information	2
Strategic report	3
Directors' report	4
Independent auditors' report	6
Profit and loss account	8
Balance sheet	9
Notes to the financial statements	10

Company information

for the year ended 30 June 2014

Directors

DM Faltischek

JB Carroll

P Conte

JR Meiers

PJ Lindley

Secretary

2020 Secretarial Limited

Auditors

Ernst & Young LLP

400 Capability Green

Luton

LU1 3LU

Registered Office

1 St Andrew's Hill

London

EC4V 5BY

Strategic report

for the year ended 30 June 2014

REVIEW OF THE BUSINESS

Company turnover increased by 13% over the previous year, with UK sales increasing by 14% and International sales increasing by 10%.

The brand continued to increase its market share in the UK market during the year; growing its share of the wet baby food market to 26%, from 23% the previous year.

Growth has been achieved through distribution gains and new product development. During the year the company obtained new distribution in UK grocery customers and launched a number of product ranges into the UK market, including ambient tray meals for the over 12 month age group. The company continued to grow overseas through a launch into the BeNeLux markets, with a range of pouch and tray products, however logistical and marketing issues resulted in the loss of sales to Australia during the year. The continued growth of the company has been enabled by increased investment in headcount, marketing support and IT infrastructure - to support flexible working and increase operational efficiency.

The company reported a loss in the year due to the write off of an intercompany loan with Ella's Kitchen Inc. The ongoing operations of the company continue to generate a profit.

Ella's Kitchen continues to work to a global target of 1,000 million Tiny Tummy Touch points (a portion of food for an infant, or equivalent for non-food items) and in the year sales of Ella's Kitchen (Brands) Ltd contributed an equivalent of 95 million Tiny Tummy Touch points to achieving the target.

KEY PERFORMANCE INDICATORS

The directors track growth in turnover, maintenance of gross profit margin and achievement of profit before tax against budget and forecast.

Non financial key performance indicators include market share in each of the key markets, level of customer complaints and customer delivery metrics.

PRINCIPAL RISKS & UNCERTAINTIES

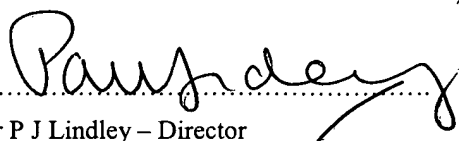
The directors believe the principal risks facing the business to be:

Brand reputation. The directors seek to mitigate the risk to the reputation of the company's brands by investing in an enhanced quality control programme, external support, additional team resources and the continued refining of a crisis management team and protocol.

Exposure to foreign currency movements. A significant proportion of the company's cost of sales is denominated in Euros, whilst a significant proportion of revenues are denominated in Sterling. The directors seek to mitigate the currency risk inherent in this situation by having hedging facilities established and operating where deemed necessary, together with a strategic focus on export into Europe to enhance the Euro revenue stream.

Competitive threat from new entrants to the baby food market. During recent years there has been significant consolidation in the global baby food market. This may result in an increase in competition in the baby food market. Directors have sought to mitigate this threat through the transaction with The Hain Celestial Group, Inc and through continued innovation and new product development.

ON BEHALF OF THE BOARD


.....
Mr P J Lindley – Director

Date: 19/3/2015
.....

Directors' report

for the year ended 30 June 2014

The directors present their report and financial statements for the year ended 30 June 2014.

RESULTS AND DIVIDENDS

The results for the company are set out in the financial statements. A dividend amount of £300,000 was paid during the year.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the company was that of manufacture and distribution of children's and baby food.

DIRECTORS

The directors who served the company throughout the year were as follows:

DM Faltischek
JB Carroll
P Conte
JR Meiers
PJ Lindley

DISCLOSURE OF INFORMATION TO THE AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

GOING CONCERN

The company's business activities, together with the factors likely to affect its future development, its financial position, its financial risk management objectives, details of its financial instruments and its exposure to competitive, credit and foreign currency risk are described in the business review on page 3.

The company has considerable financial resources and as a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the continued uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the company and its subsidiaries have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual reports and financial statements.

Directors' report (continued)

for the year ended 30 June 2014

STATEMENT OF DIRECTORS' RESPONSIBILITIES

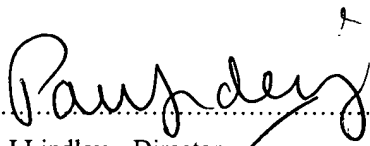
The directors are responsible for preparing the Report and the Financial Statements in accordance with applicable law and regulations.

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 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 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 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.

ON BEHALF OF THE BOARD


.....
Mr P J Lindley – Director

Date: 19/3/2015
.....

Independent auditors' report

to the members of Ella's Kitchen (Brands) Limited

We have audited the financial statements of Ella's Kitchen Brands Limited for the year ended 30 June 2014 which comprise of the Profit and Loss Account, the Balance Sheet and the related notes 1 to 22. 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 set out on page 5, 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 and the Financial Statements 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 30 June 2014 and of its loss 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.

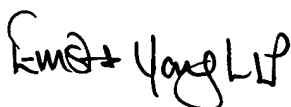
Independent auditors' report (continued)

to the members of Ella's Kitchen (Brands) 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.



Juliet Thomas (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
Luton

23 March 2015

Profit and loss account

for the year ended 30 June 2014

	Notes	2014 £	2013 £
Turnover	2	46,356,101	40,922,190
Cost of sales		(31,559,899)	(27,420,532)
		<hr/>	<hr/>
Gross Profit		14,796,202	13,501,658
Administrative expenses		(12,047,821)	(10,549,185)
Exceptional costs	5	(4,312,191)	-
		<hr/>	<hr/>
		(1,563,810)	2,952,473
Other Operating income		53,750	280,129
		<hr/>	<hr/>
Operating (Loss)/profit	6	(1,510,060)	3,232,602
Interest receivable and similar income	7	60,099	-
Interest payable and similar charges	8	(38,951)	(63,541)
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation		(1,488,912)	3,169,061
Tax on (loss)/profit on ordinary activities	9	(628,868)	816,606
		<hr/>	<hr/>
(Loss)/profit for the financial year		(2,117,780)	3,985,667
		<hr/>	<hr/>

Continuing Operations

There is no difference between the company's results as reported and on a historical basis.

The turnover and profits were all derived from continuing activities.

Total Recognised Gains and Losses

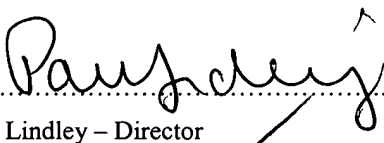
The company has no recognised gains or losses other than the loss for the current year or profit in the previous period.

Balance sheet

at 30 June 2014

	Notes	2014 £	2013 £
Fixed assets			
Tangible assets	10	335,359	430,282
Current assets			
Stock	11	3,059,099	2,915,320
Debtors	12	11,946,502	14,812,730
Cash at bank and in hand		4,877,008	3,558,697
		<u>19,882,609</u>	<u>21,286,747</u>
Creditors: amounts falling due within one year	13	(12,665,531)	(11,746,812)
		<u>7,217,078</u>	<u>9,539,935</u>
Net current assets			
		<u>7,552,437</u>	<u>9,970,217</u>
Net assets			
		<u>7,552,437</u>	<u>9,970,217</u>
Capital and reserves			
Called up share capital	17	100	100
Profit and loss account	18	7,552,337	9,970,117
		<u>7,552,437</u>	<u>9,970,217</u>
Shareholders' funds	22	<u>7,552,437</u>	<u>9,970,217</u>

The financial statements were approved by the Board of Directors on 19/3/2015 and were signed on its behalf by:



 Mr P J Lindley – Director

Notes to the financial statements

at 30 June 2014

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with UK Generally Accepted Accounting Principles. The accounting policies remain unchanged from the previous year and are included below.

Cash Flow statement

Exemption has been taken from preparing a cash flow statement on the grounds that the ultimate parent company, The Hain Celestial Group, Inc. includes the subsidiary in its published financial statements.

Going concern

The use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern. The directors have made themselves aware of all relevant information and have prepared appropriate forecasts and on this basis are comfortable that there are no material uncertainties.

Turnover

Turnover, which is stated net of value added tax, is defined as the amount invoiced to external customers during the year. This includes gross sales net of trade discounts, customer allowances, returns and promotions. Turnover is recognised at the time that the risks and rewards of ownership of the products are transferred to the customer.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	-	33% on cost
Fixtures and fittings	-	25% on cost
Computer equipment	-	33% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is determined on a first in first out (FIFO) basis.

Foreign currencies

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at period end exchange rates are recognised in the profit and loss account in the line which most appropriately reflects the nature of the item or transaction.

Leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Contributions made by the company into employee personal pension plans are charged to the profit and loss account as incurred.

Notes to the financial statements

at 30 June 2014

1. Accounting policies (continued)

Equity-settled share-based payments

Prior to the acquisition by The Hain Celestial Group, Inc., the company issued equity-settled share-based payments to certain employees. These options were cancelled and settled by Hain as part of the acquisition.

Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of the grant. The fair value so determined has been expensed on a straight line basis over the vesting period, based on the company's estimate of the number of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

Fair value is measured using a Black-Scholes-Merton option pricing model. The key assumptions used in the model have been adjusted where appropriate, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Taxation

The tax charge comprises current tax payable and deferred tax.

The current tax charge represents an estimate of the amounts payable to tax authorities in respect of the company's taxable profits and is based on an interpretation of existing tax laws.

Deferred taxation

Deferred taxation is recognised, without discounting, in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, except as required by FRS19.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Invoice discounting charges

The charges for Confidential Invoice Discounting are charged to the profit and loss account as they are charged by the lender except arrangement fees and transaction costs which are amortised over the term of the agreement.

Related party disclosures

The company has taken advantage of the exemption under paragraph 3(c) of FRS8 and has not disclosed intra-group transactions.

Exceptional items

Exceptional items are items which due to their size, incidence and non-recurring nature have been classified separately in order to draw them to the attention to the reader of the accounts and, in management's judgement, to show more accurately the underlying profits of the group. Such items are included within the income statement caption to which they relate, and separately disclosed either in the notes to the consolidated financial statements or on the face of the consolidated income statement.

Bank borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs.

Notes to the financial statements

at 30 June 2014

2. Turnover

The turnover and loss before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2014 £	2013 £
United Kingdom	36,207,465	31,700,960
Overseas	10,148,636	9,221,230
	<u>46,356,101</u>	<u>40,922,190</u>

3. Staff Costs

	2014 £	2013 £
Wages and salaries	3,307,071	3,134,049
Social security costs	422,786	295,599
Other pension costs	120,446	98,142
	<u>3,850,303</u>	<u>3,527,790</u>

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

	2014 £	2013 £
Administration	11	11
Operations	39	30
Management	6	8
	<u>56</u>	<u>49</u>

Notes to the financial statements

at 30 June 2014

4. Directors' Emoluments

	2014 £	2013 £
Directors' remuneration	301,285	482,391
Directors' pension contributions to money purchase schemes	20,000	31,983

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	1	4
------------------------	---	---

Information regarding the highest paid director is as follows:

	2014 £	2013 £
Remuneration	301,285	211,842
Pension contributions to money purchase schemes	20,000	15,833

5. Exceptional costs

	2014 £	2013 £
Exceptional costs	4,312,191	-

During the year the intercompany loan between Ella's Kitchen (Brands) Ltd and Ella's Kitchen Inc was written off, resulting in a charge to the Profit and Loss account of £4,312,191.

6. Operating (loss)/profit

The operating loss is stated after charging/(crediting):

	2014 £	2013 £
Hire of equipment	805	1,451
Other operating leases – land & buildings	80,156	73,393
Depreciation - owned assets	342,053	235,629
Loss on disposal of fixed assets	22,420	27,961
Audit fee	27,000	22,500
Other non-audit services	-	9,725
Foreign exchange differences	558,738	(88,949)

Notes to the financial statements

at 30 June 2014

7. Interest receivable and similar income

	2014 £	2013 £
Deposit account interest	21	-
Interest on intercompany loans	60,078	-
	<u>60,099</u>	<u>-</u>

8. Interest payable and similar charges

	2014 £	2013 £
Bank interest	-	7
Other interest	-	8,555
Factoring charges	30,618	42,479
Loan interest	8,333	12,500
	<u>38,951</u>	<u>63,541</u>

9. Tax

(a) Analysis of tax charge/(credit)

The tax charge on the profit on ordinary activities for the year was as follows:

	2014 £	2013 £
<i>Current tax:</i>		
UK Corporation tax	540,358	-
Carry back of tax losses arising on exercise of share options	-	(717,449)
<i>Total Current Tax</i>	<u>540,358</u>	<u>(717,449)</u>
<i>Deferred tax:</i>		
Origination and reversal of timing differences	88,510	(99,157)
Tax on (loss)/profit on ordinary activities	<u>628,868</u>	<u>(816,606)</u>
UK corporation tax has been charged at 22.5% (2013 – 23.75%)		

Notes to the financial statements

at 30 June 2014

9. Tax (continued)

(b) Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK. The difference is explained below:

	2014 £	2013 £
(Loss)/Profit on ordinary activities before tax	(1,488,912)	3,169,061
(Loss)/Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 22.5% (2013 – 23.75%)	(335,005)	752,652
<i>Effects of:</i>		
Expenses not deductible for tax purposes	2,558	6,563
Depreciation in excess of capital allowance	26,301	1,238
Carry back of tax losses arising on exercise of share options	-	(717,449)
Carry forward of tax losses arising on exercise of share options	(123,739)	-
Adjustment for exercise of share options	-	(760,453)
Intercompany debt restructuring	970,243	-
Current tax for the year (note 9(a))	540,358	(717,449)

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 30 June 2014 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

Further reductions in the UK corporation tax rate to 20% (effective 1 April 2015) were also substantively enacted on 2 July 2013. It has not yet been possible to quantify the full anticipated effects of this rate reduction, although this will further reduce the company's future current tax charge and reduce the company's deferred tax liability accordingly.

Notes to the financial statements

at 30 June 2014

10. Fixed assets

	Plant and Machinery	Fixtures and fittings	Computer equipment	Totals
	£	£	£	£
COSTS				
At 1 July 2013	396,425	121,750	325,449	843,624
Additions	172,670	9,848	87,032	269,550
Disposals	(165,542)	(2,944)	(3,963)	(172,449)
At 30 June 2014	403,553	128,654	408,518	940,725
DEPRECIATION				
At 1 July 2013	(154,030)	(61,521)	(197,791)	(413,342)
Charge for the year	(206,747)	(27,058)	(108,248)	(342,053)
Eliminated on disposal	144,463	2,131	3,435	150,029
At 30 June 2014	(216,314)	(86,448)	(302,604)	(605,366)
NET BOOK VALUE				
At 30 June 2014	187,239	42,206	105,914	335,359
At 30 June 2013	242,395	60,229	127,658	430,282

11. Stocks

	2014 £	2013 £
Raw materials and packaging	82,495	38,712
Finished goods	2,976,604	2,876,608
	3,059,099	2,915,320

Notes to the financial statements

at 30 June 2014

12. Debtors: Amounts falling due within one year

	2014 £	2013 £
Amounts falling due within one year:		
Trade debtors	9,057,604	8,420,575
Amounts owed by group undertakings	2,149,108	4,617,814
Other debtors	218,523	56,352
Prepayments & accrued income	129,551	323,301
Corporation tax repayable	183,811	1,098,158
VAT	200,082	200,197
Deferred tax asset (see note 16)	1,948	90,458
	<u>11,940,627</u>	<u>14,806,855</u>
Amounts falling due after more than one year:		
Other debtors	5,875	5,875
	<u>11,946,502</u>	<u>14,812,730</u>
Aggregate amounts		

13. Creditors: amounts falling due within one year

	2014 £	2013 £
Bank loans and overdrafts (see note 14)	1,628	290,875
Trade creditors	3,313,160	4,667,469
Amounts owed to group undertakings	3,900,282	2,298,726
Social security and other taxes	85,440	86,738
Other creditors	19,828	18,536
Deferred income	22,000	32,250
Accrued expenses	5,323,193	4,352,218
	<u>12,665,531</u>	<u>11,746,812</u>

14. Loans

An analysis of the maturity of loans is given below:

	2014 £	2013 £
Amounts falling due within one year or on demand:		
Bank loans	<u>1,628</u>	<u>290,875</u>

The bank loans include amounts of £1,628 (2013: £290,875) which represent with recourse invoice discounting and are secured on trade debtors. The weighted average rate of interest during the period was 2.65%.

Notes to the financial statements

at 30 June 2014

15. Operating lease commitments

The following operating lease payments are committed to be paid within one year:

	Land and buildings		Other operating leases	
	2014	2013	2014	2013
	£	£	£	£
Expiring:				
Within one year	-	-	11,600	3,130
Between one and five years	74,250	74,250	7,148	18,776
	<u>74,250</u>	<u>74,250</u>	<u>18,748</u>	<u>21,906</u>

16. Deferred tax

	2014	2013
	£	£
Deferred tax asset (liability)		
Accelerated capital allowances	(1,948)	20,883
Tax losses carried forward	-	(111,341)
	<u>(1,948)</u>	<u>(90,458)</u>
		Deferred Tax Asset/ (liability)
		£
Balance at 1 July 2013		(90,458)
Charge to profit and loss account during year		88,510
Balance at 30 June 2014		<u>(1,948)</u>

17. Called up share capital

	2014		2013	
	No.	£	No.	£
Allotted, issued and fully paid				
Ordinary 'A' shares of £1 each	100	100	100	100

Notes to the financial statements

at 30 June 2014

18. Reserves

	Profit and loss account £
At 1 July 2013	9,970,117
Loss for the year	(2,117,780)
Dividends paid	(300,000)
At 30 June 2014	7,552,337

19. Related party transactions

The company has taken advantage of the exemption available under FRS 8 para 3c not to disclose transactions with other group companies which meet the criteria that all subsidiary undertakings which are party to the transactions are wholly owned by the ultimate controlling parent.

20. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Ella's Kitchen Group Limited, a company incorporated in the United Kingdom.

The directors consider the ultimate parent undertaking and controlling party to be The Hain Celestial Group, Inc.

The parent undertaking of the smallest group of undertakings for which group financial statements are drawn up and of which the company is a member is The Hain Celestial Group, Inc. Copies of the financial statements can be obtained from 1111 Marcus Ave, Lake Success, NY 11042.

21. Contingent Liabilities

Co-packer and packaging suppliers for Ella's Kitchen group companies hold stocks of branded packaging for use in the manufacturing process. Ella's Kitchen group companies have a possible liability to purchase this stock should the co-packer not meet its contractual duties. It is considered that this would only arise if the company unexpectedly discontinued a large number of product lines at short notice. The directors consider the likelihood of this outcome as remote.

At 30 June 2014 the maximum obligation was of £3,123,447 (2013: £3,241,672).

22. Reconciliation of movements in shareholders' funds

	2014 £	2013 £
(Loss)/profit for the financial year	(2,117,780)	3,985,667
Employee share option charge	-	100,330
Dividend paid	(300,000)	-
Net (decrease)/addition to shareholders' funds	(2,417,780)	4,085,997
Opening shareholder's funds	9,970,217	5,884,220
Closing shareholders' funds	7,552,437	9,970,217