

Financial Statements

Wassen International Limited

For the period ended 29 February 2012

Registered number: 1154116



Company Information

Directors	R M Cawse D Dalton (appointed 28 February 2011) G Gneve (appointed 28 February 2011) N L Hudson S Leggett R Myers (appointed 1 January 2012) P A J Tunnell
Company secretary	S Leggett
Company number	1154116
Registered office	14 The Mole Business Park Leatherhead Surrey KT22 7BA
Auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 1020 Eskdale Road IQ Winnersh Wokingham Berkshire RG41 5TS
Bankers	HSBC Broad Street Reading Berkshire RG1 2BU
Solicitors	Carter Lemon Camerons LLP 10 Aldersgate Street London EC1A 4HJ

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Directors' Report

For the period ended 29 February 2012

The directors present their report and the financial statements for the period ended 29 February 2012

Principal activities

The principal activity of the company during the period was the supply and marketing of nutritional supplements

There have not been any significant changes in the company's principal activities in the period under review. The directors are not aware, at the date of this report, of any likely changes in the company's activities in the forthcoming year.

Business review

The company reports turnover for the year of £12,347,862 (2010: £8,285,681), a gross margin of 40.3% (2010: 47.0%) and in line with expectations, a profit before tax of £747,084 (2010: £694,128).

Overall, it is believed that the current business strategies in place will lead to continued improvement in both turnover and profitability, for the foreseeable future.

The balance sheet on page 6 shows that the company's financial position is, in terms of both net assets and cash, consistent with the recovery of the business.

Results

The profit for the period, after taxation, amounted to £747,084 (2010: £700,538). The directors have not recommended a dividend (2010: £NIL).

Directors

The directors who served during the period were:

R M Cawse
D Dalton (appointed 28 February 2011)
G Grieve (appointed 28 February 2011)
N L Hudson
S Leggett
R Myers (appointed 1 January 2012)
P A J Tunnell
M Barber (resigned 28 February 2011)
T E Snook (resigned 21 October 2011)

Directors' responsibilities statement

The directors are responsible for preparing 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

Directors' Report

For the period ended 29 February 2012

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

Auditor

Grant Thornton UK LLP were appointed auditor on 4 April 2012, to fill a casual vacancy in accordance with section 485 (3) of the Companies Act 2006.

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 11 September 2012 and signed on its behalf



R Myers
Director



Independent Auditor's Report to the Members of Wassen International Limited

We have audited the financial statements of Wassen International Limited for the period ended 29 February 2012, which comprise the Profit and loss account, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Auditing Practices Board's website at www.frc.org.uk/apb/scope/private.cfm.

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 29 February 2012 and of its profit for the period 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 Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.



Independent Auditor's Report to the Members of Wassen International 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

Grant Thornton UK LLP

Paul Creasey (Senior statutory auditor)
for and on behalf of

Grant Thornton UK LLP

Chartered Accountants
Statutory Auditor
Reading

14 September 2012

Profit and Loss Account

For the period ended 29 February 2012

	Note	17 months to 29 February 2012 £	12 months to 30 September 2010 £
Turnover	1,2	12,347,862	8,285,681
Cost of sales		(7,367,985)	(4,387,362)
Gross profit		4,979,877	3,898,319
Distribution costs		(1,523,863)	(1,014,949)
Administrative expenses		(3,181,281)	(2,535,850)
Exceptional administrative expenses		(73,502)	-
Total administrative expenses		(3,254,783)	(2,535,850)
Other operating income		679,865	461,664
Operating profit	3	881,096	809,184
Interest payable and similar charges	6	(134,012)	(115,056)
Profit on ordinary activities before taxation		747,084	694,128
Tax on profit on ordinary activities	7	-	6,410
Profit for the financial period	16	747,084	700,538

All amounts relate to continuing operations

There were no recognised gains and losses for either period other than those included in the Profit and loss account

The notes on pages 7 to 16 form part of these financial statements

Balance Sheet

As at 29 February 2012

	Note	29 February 2012 £	30 September 2010 £
Fixed assets			
Intangible assets	8	21,820	35,716
Tangible assets	9	89,159	114,260
		<u>110,979</u>	<u>149,976</u>
Current assets			
Stocks	10	1,251,336	926,593
Debtors	11	9,285,421	7,074,944
Cash at bank and in hand		87,253	23,508
		<u>10,624,010</u>	<u>8,025,045</u>
Creditors: amounts falling due within one year	12	<u>(5,629,608)</u>	<u>(3,816,724)</u>
Net current assets		<u>4,994,402</u>	<u>4,208,321</u>
Total assets less current liabilities		<u>5,105,381</u>	<u>4,358,297</u>
Capital and reserves			
Called up share capital	15	1,146,250	1,146,250
Share premium account	16	765,505	765,505
Capital redemption reserve	16	65,000	65,000
Profit and loss account	16	3,128,626	2,381,542
Shareholders' funds	17	<u>5,105,381</u>	<u>4,358,297</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11 September 2012

R Myers
 Director



The notes on pages 7 to 16 form part of these financial statements

Notes to the Financial Statements

For the period ended 29 February 2012

1. Accounting Policies

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

1.2 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

1.3 Turnover

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

Dependent upon terms agreed with customers revenue is recognised either at the point of delivery of goods, or at the point the customer collects the goods

1.4 Intangible fixed assets and amortisation

Intangible assets are stated at cost less accumulated amortisation and impairment losses

Patents and trademarks are written off over 10 years on a straight line basis

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	-	Between 8.25% and 50% per annum
Motor vehicles	-	20% straight line

1.6 Stocks

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

Stocks held by third parties are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks

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 Pensions

The company makes contributions to employees' individual pension schemes and the pension charge represents the amounts payable by the company to the funds in respect of the year

Notes to the Financial Statements

For the period ended 29 February 2012

1. Accounting Policies (continued)

1.9 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

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

Deferred tax assets and liabilities are not discounted

1.10 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

1.11 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity

Notes to the Financial Statements

For the period ended 29 February 2012

2. Turnover

The whole of the turnover is attributable to the one principal activity of the company

A geographical analysis of turnover is as follows

	17 months to 29 February 2012 £	12 months to 30 September 2010 £
United Kingdom	7,383,524	4,761,825
Rest of World	4,964,338	3,523,856
	<u>12,347,862</u>	<u>8,285,681</u>

3. Operating profit

The operating profit is stated after charging/(crediting)

	17 months to 29 February 2012 £	12 months to 30 September 2010 £
Amortisation - intangible fixed assets	15,208	11,573
Depreciation of tangible fixed assets		
- owned by the company	81,464	58,672
Auditors' remuneration	28,810	35,200
Operating lease rentals		
- plant and machinery	49,945	42,910
Profit on disposal of fixed assets	-	(43)
	<u></u>	<u></u>

The exceptional administrative expenses relates to costs in association with the resignation of Tim Snook, former director

Notes to the Financial Statements

For the period ended 29 February 2012

4. Staff costs

Staff costs, including directors' remuneration, were as follows

	17 months to 29 February 2012 £	12 months to 30 September 2010 £
Wages and salaries	1,487,844	1,324,887
Social security costs	193,890	154,766
Other pension costs	326,042	305,791
	<u>2,007,776</u>	<u>1,785,444</u>

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

	17 months to 29 February 2012 No.	12 months to 30 September 2010 No
Distribution staff	3	5
Administrative staff	18	19
	<u>21</u>	<u>24</u>

5. Directors' remuneration

	17 months to 29 February 2012 £	12 months to 30 September 2010 £
Emoluments	<u>1,024,132</u>	<u>864,731</u>
Company pension contributions to pension schemes	<u>92,198</u>	<u>92,875</u>

£48,452 of the emoluments figure relates to loss of office (2010 - £Nil)

During the period retirement benefits were accruing to 6 directors (2010 - 6) in respect of defined contribution pension schemes

The highest paid director received remuneration of £201,967 (2010 - £252,938)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £17,708 (2010 - £39,375)

Notes to the Financial Statements

For the period ended 29 February 2012

6. Interest payable

	17 months to 29 February 2012 £	12 months to 30 September 2010 £
On bank loans and overdrafts	10,327	21,131
On finance leases and hire purchase contracts	-	164
Other interest payable	123,685	93,761
	<u>134,012</u>	<u>115,056</u>

7. Taxation

	17 months to 29 February 2012 £	12 months to 30 September 2010 £
Analysis of tax charge in the period/year		
Deferred tax		
Origination and reversal of timing differences	-	(6,410)
Tax on profit on ordinary activities	<u>-</u>	<u>(6,410)</u>

Notes to the Financial Statements

For the period ended 29 February 2012

7. Taxation (continued)

Factors affecting tax charge for the period/year

The tax assessed for the period/year is lower than (2010 - lower than) the standard rate of corporation tax in the UK of 26.7% (2010 - 28%). The differences are explained below

	17 months to 29 February 2012 £	12 months to 30 September 2010 £
Profit on ordinary activities before tax	747,084	694,128
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.7% (2010 - 28%)	199,471	194,356
Effects of		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,674	2,342
Capital allowances for period/year in excess of depreciation	21,754	4,487
Non-taxable income	(181,254)	-
Changes in provisions leading to an increase (decrease) in the tax charge	-	(5,600)
Other differences leading to an increase (decrease) in the tax charge	(809)	-
Group relief	(41,836)	(195,585)
Current tax charge for the period/year (see note above)	-	-

8. Intangible fixed assets

	Trademarks £
Cost	
At 1 October 2010	484,395
Additions	1,312
At 29 February 2012	485,707
Amortisation	
At 1 October 2010	448,679
Charge for the period	15,208
At 29 February 2012	463,887
Net book value	
At 29 February 2012	21,820
At 30 September 2010	35,716

Notes to the Financial Statements

For the period ended 29 February 2012

9. Tangible fixed assets

	Plant & machinery £	Motor vehicles £	Total £
Cost			
At 1 October 2010	601,645	7,695	609,340
Additions	56,363	-	56,363
Disposals	(26,455)	-	(26,455)
At 29 February 2012	631,553	7,695	639,248
Depreciation			
At 1 October 2010	488,924	6,156	495,080
Charge for the period	79,925	1,539	81,464
On disposals	(26,455)	-	(26,455)
At 29 February 2012	542,394	7,695	550,089
Net book value			
At 29 February 2012	89,159	-	89,159
At 30 September 2010	112,721	1,539	114,260

10. Stocks

	29 February 2012 £	30 September 2010 £
Raw materials	815,925	557,759
Finished goods and goods for resale	435,411	368,834
	<u>1,251,336</u>	<u>926,593</u>

11. Debtors

	29 February 2012 £	30 September 2010 £
Trade debtors	2,133,620	2,001,827
Amounts owed by group undertakings	6,843,712	4,950,622
Prepayments and accrued income	277,026	119,296
Tax recoverable	31,063	3,199
	<u>9,285,421</u>	<u>7,074,944</u>

At the period end, trade debtors of £2,066,956 (2010 £1,800,530) were subject to an invoice discounting arrangement with HSBC Invoice Finance (UK) Limited

Notes to the Financial Statements

For the period ended 29 February 2012

11. Debtors (continued)

The debtors above include amounts owed by group undertakings of £4,974,886 (2010 £3,761,651) which fall due after more than one year

12. Creditors:

Amounts falling due within one year

	29 February 2012	30 September 2010
	£	£
Bank loans and overdrafts	633,097	526,227
Trade creditors	1,710,047	1,308,213
Amounts owed to group undertakings	1,647,853	673,340
Social security and other taxes	49,589	54,594
Invoice discounting	1,446,815	1,143,406
Other creditors	10,001	-
Accruals and deferred income	132,206	110,944
	<u>5,629,608</u>	<u>3,816,724</u>

Amounts due to invoice discounters are secured by a fixed charge on the related trade debtor balances and by a floating charge over all assets

Notes to the Financial Statements

For the period ended 29 February 2012

13. Pension commitments

The pension cost charge represents the contributions payable by the company to certain employees' personal pension schemes. Contributions of £10,001 were unpaid at the year end (2010 £Nil), included in other creditors in note 12.

14. Operating lease commitments

At 29 February 2012 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	29 February 2012	30 September 2010	29 February 2012	30 September 2010
	£	£	£	£
Expiry date.				
Within 1 year	-	-	1,907	12,314
Between 2 and 5 years	128,849	142,841	7,723	9,214
After more than 5 years	-	-	3,591	-
Total	128,849	142,841	13,221	21,528

15. Share capital

	29 February 2012	30 September 2010
	£	£
Allotted, called up and fully paid		
4,585,000 Ordinary shares of £0.25 each	1,146,250	1,146,250

16. Reserves

	Share premium account	Capital redempt'n reserve	Profit and loss account
	£	£	£
At 1 October 2010	765,505	65,000	2,381,542
Profit for the period			747,084
At 29 February 2012	765,505	65,000	3,128,626

Notes to the Financial Statements

For the period ended 29 February 2012

17. Reconciliation of movement in shareholders' funds

	29 February 2012	30 September 2010
	£	£
Opening shareholders' funds	4,358,297	3,657,759
Profit for the period/year	747,084	700,538
Closing shareholders' funds	<u>5,105,381</u>	<u>4,358,297</u>

18. Related party transactions

The company has taken advantage of the exemption within FRS 8 for 100% owned subsidiaries not to disclose transactions with group companies which are eliminated on consolidation

During the period the company made purchases of £20,370 (2010 £Nil) from Vital Health Foods (Pty) Limited. Vital Health Foods (Pty) Limited is a subsidiary of Grieve Family Holdings (Pty) Limited, see note 19 below. The amount due to Vital Health Foods (Pty) Limited at 29 February 2012 was £20,370 (2010 £Nil).

19. Ultimate parent undertaking and controlling party

The immediate parent company is Wassen Holdings Limited and this is owned 100% by Wassen Group Holdings Limited, both companies registered in England and Wales. Wassen Group Holdings Limited is the parent company of the smallest group for which group accounts are prepared. Copies of the group financial statements of Wassen Group Holdings Limited are available from 14 The Mole Business Park, Leatherhead, Surrey KT22 7BA.

In the opinion of the directors the ultimate controlling party is Grieve Family Holdings (Pty) Limited by virtue of its majority shareholding in Woodward Holdings (Pty) Ltd, which in turn owns Vital Health Foods (Pty) Limited, which owns Natural Formulas Ltd which then has a majority share in Wassen Group Holdings Limited. The largest group of accounts which include this entity is that headed up by Grieve Family Holdings (Pty) Limited.