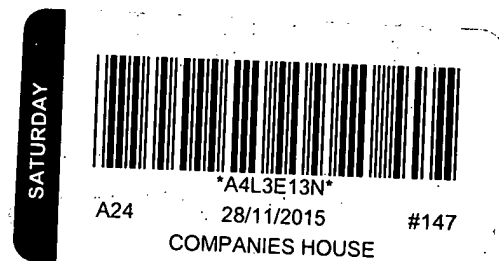


# Financial Statements Wassen International Limited

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For the year ended 28 February 2015



Registered number: 01154116

## Company Information

<b>Registered number</b>	01154116
<b>Directors</b>	G Grieve N L Hudson S Leggett
<b>Company secretary</b>	S Leggett
<b>Registered office</b>	Ground Floor, Unit A Cedar Court Office Park WAKEFIELD West Yorkshire WF4 3DB
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 2 Broadfield Court SHEFFIELD South Yorkshire S8 0XF
<b>Bankers</b>	HSBC 26 Broad Street READING Berkshire RG1 2BU
<b>Solicitors</b>	Carter Lemon Camerons LLP 10 Aldersgate Street LONDON EC1A 4HJ

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# Directors' Report

For the year ended 28 February 2015

The directors present their report and the financial statements for the year ended 28 February 2015.

## **Principal activities**

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

## **Directors**

The directors who served during the year were:

R M Cawse (resigned 1 July 2015)  
D Dalton (retired 31 August 2015)  
G Grieve  
N L Hudson  
S Leggett  
R Myers (resigned 29 April 2015)  
P A J Tunnell (resigned 31 July 2014)

## **Going concern**

The directors have considered the company's cash and net current assets position, making appropriate enquiries and reviewing forecasts of future trading levels and cash flows covering at least 12 months from the date of these accounts, taking into account the Group banking facilities currently available and expected to be available to the company, and the support of Wassen Group Holdings Limited.

On this basis, the directors have formed a judgement at the time of approving the financial statements that there is a reasonable expectation that the company has sufficient resources to continue in operation for the foreseeable future. For this reason the directors consider the adoption of the going concern basis in preparing the financial statements is appropriate.

## **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:

- 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.

## Directors' Report

For the year ended 28 February 2015

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.

### Disclosure of information to auditor

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

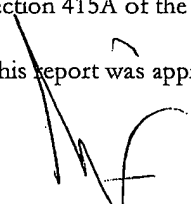
- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor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

### Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 20 NOVEMBER 2015 and signed on its behalf.



G Grieve  
Director

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

We have audited the financial statements of Wassen International Limited for the year ended 28 February 2015, 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, set out on page 1, 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 (APB'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](http://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 28 February 2015 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 Directors' report for the financial year 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.

*Grant Thornton UK LLP*

Donna Steel (Senior statutory auditor)

for and on behalf of

Grant Thornton UK LLP

Statutory Auditor

Chartered Accountants

SHEFFIELD

Date: 27 November 2015

# Profit and Loss Account

For the year ended 28 February 2015

	Note	2015 £	2014 £
<b>Turnover</b>	1,2	3,945,033	4,344,080
Cost of sales		(2,223,947)	(2,156,920)
<b>Gross profit</b>		1,721,086	2,187,160
Distribution costs		(576,979)	(479,975)
Administrative expenses		(2,015,213)	(2,223,481)
Exceptional administrative expenses	3	(228,366)	(285,087)
Total administrative expenses		(2,243,579)	(2,508,568)
Other operating income		825,968	962,974
<b>Operating (loss)/profit</b>	4	(273,504)	161,591
Interest payable and similar charges	7	(56,752)	(78,843)
<b>(Loss)/profit on ordinary activities before taxation</b>		(330,256)	82,748
Tax on (loss)/profit on ordinary activities	8	-	-
<b>(Loss)/profit for the financial year</b>	17	(330,256)	82,748

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 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 28 February 2015

	Note	£	2015 £	£	2014 £
<b>Fixed assets</b>					
Intangible assets	9		40,420		29,581
Tangible assets	10		93,354		76,333
			<u>133,774</u>		<u>105,914</u>
<b>Current assets</b>					
Stocks	11	765,720		893,972	
Debtors	12	9,255,828		8,865,481	
Cash at bank and in hand		5,103		87,750	
		<u>10,026,651</u>		<u>9,847,203</u>	
<b>Creditors: amounts falling due within one year</b>	13	(5,115,739)		(4,578,175)	
<b>Net current assets</b>			<u>4,910,912</u>		<u>5,269,028</u>
<b>Net assets</b>			<u>5,044,686</u>		<u>5,374,942</u>
<b>Capital and reserves</b>					
Called up share capital	16		1,146,250		1,146,250
Share premium account	17		765,505		765,505
Capital redemption reserve	17		65,000		65,000
Profit and loss account	17		3,067,931		3,398,187
<b>Shareholders' funds</b>	18		<u>5,044,686</u>		<u>5,374,942</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 November 2015

G Grieve  
Director

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

# Notes to the Financial Statements

For the year ended 28 February 2015

## 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.

The principal accounting policies have remained unchanged from the previous year and are set out below.

### 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 Going concern

The directors have considered the company's cash and net current assets position, making appropriate enquiries and reviewing forecasts of future trading levels and cash flows covering at least 12 months from the date of these accounts, taking into account the Group banking facilities currently available and expected to be available to the company, and the support of Wassen Group Holdings Limited.

On this basis, the directors have formed a judgement at the time of approving the financial statements that there is a reasonable expectation that the company has sufficient resources to continue in operation for the foreseeable future. For this reason the directors consider the adoption of the going concern basis in preparing the financial statements is appropriate.

### 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.

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.

### 1.5 Intangible fixed assets and amortisation

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

### 1.6 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:

Long Term Leasehold Property	-	20% straight line
Plant & machinery	-	Between 8.25% and 50% per annum
Motor vehicles	-	20% straight line

# Notes to the Financial Statements

For the year ended 28 February 2015

## **1. Accounting Policies (continued)**

### **1.7 Stocks**

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

### **1.8 Investments**

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

### **1.9 Operating leases**

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

### **1.10 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.

### **1.11 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.

### **1.12 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.

# Notes to the Financial Statements

For the year ended 28 February 2015

## 1. Accounting Policies (continued)

### 1.13 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.

### 1.14 Research and development

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project.

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the Profit and loss account.

## 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:

	2015	2014
	£	£
United Kingdom	1,097,184	1,398,345
Rest of World	2,847,849	2,945,735
	<u>3,945,033</u>	<u>4,344,080</u>

## 3. Exceptional administrative costs

	2015	2014
	£	£
Exceptional administrative costs	<u>228,366</u>	<u>285,087</u>

Exceptional costs are in relation to the relocation of the business that occurred in the year.

# Notes to the Financial Statements

For the year ended 28 February 2015

## 4. Operating (loss)/profit

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

	2015	2014
	£	£
Amortisation - intangible fixed assets	12,403	12,178
Depreciation of tangible fixed assets:		
- owned by the company	63,239	59,138
Auditor's remuneration	20,000	20,000
Auditor's remuneration - non-audit	5,500	5,500
- Operating lease rentals		
- other operating leases	69,546	140,053
Difference on foreign exchange	46,757	27,948
	<u>124,495</u>	<u>267,817</u>

## 5. Staff costs

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

	2015	2014
	£	£
Wages and salaries	912,546	1,107,719
Social security costs	118,001	139,205
Other pension costs	60,504	70,886
	<u>1,091,051</u>	<u>1,317,810</u>

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

	2015	2014
	No.	No.
Distribution staff	0	3
Administrative staff	17	18
	<u>17</u>	<u>21</u>

# Notes to the Financial Statements

For the year ended 28 February 2015

## 6. Directors' emoluments

	2015	2014
	£	£
Emoluments	600,978	653,265
Company pension contributions to pension schemes	46,667	51,500

During the year retirement benefits were accruing to 5 directors (2014 - 5) in respect of defined contribution pension schemes.

The highest paid director received emoluments of £182,791 (2014 - £187,817).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £10,500 (2014 - £10,500).

## 7. Interest payable

	2015	2014
	£	£
On bank loans and overdrafts	10,022	25,680
Other interest payable	46,730	53,163
	56,752	78,843

## 8. Taxation

	2015	2014
	£	£
UK corporation tax charge on (loss)/profit for the year	-	-

# Notes to the Financial Statements

For the year ended 28 February 2015

## 8. Taxation (continued)

### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2014 - lower than) the standard rate of corporation tax in the UK of 21.17% (2014 - 23.00%). The differences are explained below:

	2015 £	2014 £
(Loss)/profit on ordinary activities before tax	(330,256)	82,748
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.17% (2014 - 23.00%)	(69,915)	19,102
<b>Effects of:</b>		
Fixed asset difference	630	-
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	4,928	1,064
Depreciation for the year in excess of capital allowances	11,023	6,032
Other short term timing difference	(7,581)	-
Other differences leading to an increase in the tax charge	-	348
Group relief	-	(26,546)
Unutilised losses and other deductions	60,915	-
<b>Current tax charge for the year (see note above)</b>	-	-

## 9. Intangible fixed assets

	Trademarks £
<b>Cost</b>	
At 1 March 2014	135,398
Additions	23,242
At 28 February 2015	158,640
<b>Amortisation</b>	
At 1 March 2014	105,817
Charge for the year	12,403
At 28 February 2015	118,220
<b>Net book value</b>	
At 28 February 2015	40,420
At 28 February 2014	29,581

## Notes to the Financial Statements

For the year ended 28 February 2015

**10. Tangible fixed assets**

	Leasehold Property £	Plant & machinery £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 March 2014	-	704,583	7,695	712,278
Additions	19,311	60,949	-	80,260
Disposals	-	(2,619)	-	(2,619)
At 28 February 2015	19,311	762,913	7,695	789,919
<b>Depreciation</b>				
At 1 March 2014	-	628,250	7,695	635,945
Charge for the year	2,977	60,262	-	63,239
On disposals	-	(2,619)	-	(2,619)
At 28 February 2015	2,977	685,893	7,695	696,565
<b>Net book value</b>				
At 28 February 2015	16,334	77,020	-	93,354
At 28 February 2014	-	76,333	-	76,333

**11. Stocks**

	2015 £	2014 £
Raw materials	553,500	717,033
Finished goods and goods for resale	212,220	176,939
	765,720	893,972

**12. Debtors**

	2015 £	2014 £
<b>Due after more than one year</b>		
Amounts owed by group undertakings	6,483,867	6,033,717
<b>Due within one year</b>		
Trade debtors	1,290,751	1,460,567
Amounts owed by group undertakings	1,193,049	1,193,049
Other debtors	203,223	18,828
Prepayments and accrued income	84,938	159,320
	9,255,828	8,865,481

At the period end, trade debtors of £1,285,301 (2014: £1,450,923) were subject to an invoice discounting

# Notes to the Financial Statements

For the year ended 28 February 2015

## 12. Debtors (continued)

arrangement with HSBC Invoice Finance (UK) Limited.

## 13. Creditors:

Amounts falling due within one year

	2015	2014
	£	£
Bank loans and overdrafts	756,889	1,105,165
Trade creditors	899,349	852,404
Amounts owed to group undertakings	2,389,160	1,186,137
Other taxation and social security	66,254	37,452
Invoice discounting	782,800	1,012,695
Other creditors	6,903	9,215
Accruals and deferred income	214,384	375,107
	<u>5,115,739</u>	<u>4,578,175</u>

The bank loan is secured by a fixed and floating charge over the assets of the Company. The overdraft is a collective multi-currency Group facility and secured over the assets of the Group. 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.

## 14. Pension commitments

The pension cost charge represents the contributions payable by the company to certain employees' personal pension schemes. Contributions of £6,839 were unpaid at the year end (2014: £9,215) and are included in other creditors in note 13.

## 15. Operating lease commitments

At 28 February 2015 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2015	2014	2015	2014
	£	£	£	£
Expiry date:				
Within 1 year	-	53,750	-	2,026
Between 2 and 5 years	24,023	-	3,591	1,262
After more than 5 years	-	-	-	3,591
Total	<u>24,023</u>	<u>53,750</u>	<u>3,591</u>	<u>6,879</u>

# Notes to the Financial Statements

For the year ended 28 February 2015

## 16. Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
4,585,000 Ordinary shares of £0.25 each	<u>1,146,250</u>	<u>1,146,250</u>

## 17. Reserves

	Share premium account £	Capital redempt'n reserve £	Profit and loss account £
At 1 March 2014	765,505	65,000	3,398,187
Loss for the year	-	-	(330,256)
At 28 February 2015	<u>765,505</u>	<u>65,000</u>	<u>3,067,931</u>

## 18. Reconciliation of movement in shareholders' funds

	2015 £	2014 £
Opening shareholders' funds	5,374,942	5,292,194
(Loss)/profit for the financial year	<u>(330,256)</u>	<u>82,748</u>
Closing shareholders' funds	<u>5,044,686</u>	<u>5,374,942</u>

## 19. Related party transactions

The company has taken advantage of the exemption contained in FRS 8 not to disclose transactions or balances with entities which are wholly owned members of Wassen Group Holdings Limited.

During the period the company made purchases of £55,240 (2014: £101,161) from Vital Health Foods (Pty) Limited. Vital Health Foods (Pty) Limited is a subsidiary of Grieve Family Holdings (Pty) Limited, see note 20 below. The amount due to Vital Health Foods (Pty) Limited at 28 February 2015 was £55,216 (2014: £nil).

## Notes to the Financial Statements

For the year ended 28 February 2015

### **20. 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 Ground Floor Unit A, Cedar Court Office Park, Wakefield, WF4 3DB.

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) Limited, which in turn owns Vital Health Foods (Pty) Limited, which owns Natural Formulas Limited 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.