

REGISTERED NUMBER: 02722414 (England and Wales)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

FOR

NATURAL PRODUCTS LIMITED

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FOR THE YEAR ENDED 30 APRIL 2021**

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NATURAL PRODUCTS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 APRIL 2021**

DIRECTORS:

D L Williams
B Mitchell

REGISTERED OFFICE:

Tileman House
131-133 Upper Richmond Road
Putney
London
SW15 2TR

REGISTERED NUMBER:

02722414 (England and Wales)

AUDITORS:

Sedulo Audit Limited
Statutory Auditors
Regency Court
62-66 Deansgate
Manchester
M3 2EN

NATURAL PRODUCTS LIMITED (REGISTERED NUMBER: 02722414)

BALANCE SHEET
30 APRIL 2021

	Notes	30.4.21 £	£	30.4.20 £	£
FIXED ASSETS					
Intangible assets	4		1,191,767		1,316,440
Tangible assets	5		601,225		861,611
Investments	6		76		76
			<u>1,793,068</u>		<u>2,178,127</u>
CURRENT ASSETS					
Stocks		1,043,507		5,284,811	
Debtors	7	2,076,115		3,712,528	
Cash in hand		<u>211,822</u>		<u>319,389</u>	
		3,331,444		9,316,728	
CREDITORS					
Amounts falling due within one year	8	<u>7,830,569</u>		<u>10,303,725</u>	
NET CURRENT LIABILITIES			<u>(4,499,125)</u>		<u>(986,997)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			(2,706,057)		1,191,130
PROVISIONS FOR LIABILITIES			44,798		44,798
NET (LIABILITIES)/ASSETS			<u>(2,750,855)</u>		<u>1,146,332</u>
CAPITAL AND RESERVES					
Called up share capital			100		100
Retained earnings			<u>(2,750,955)</u>		<u>1,146,232</u>
SHAREHOLDERS' FUNDS			<u>(2,750,855)</u>		<u>1,146,332</u>

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 19 April 2022 and were signed on its behalf by:

B Mitchell - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021**

1. STATUTORY INFORMATION

Natural Products Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2007, is being amortised evenly over its estimated useful life of twenty years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

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 etc - 20% on cost

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Stocks

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

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2021**

2. ACCOUNTING POLICIES - continued

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS102 to all of its financial statements.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which includes debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less, if not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2021

2. ACCOUNTING POLICIES - continued

Deferred tax

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

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

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2021**

2. ACCOUNTING POLICIES - continued

Going concern

Notwithstanding net liabilities of £2,750,855 as at 30th April 2021 and an overall loss for the year then ended of £3,897,187, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its parent company, Vivona Brands Limited, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on group companies not seeking repayment of the amounts currently due to the group, which at the balance sheet date amounted to £1.4m and Vivona Brands Limited providing additional financial support during that period. Vivona Brands Limited has indicated its intention to continue to make available such funds as are needed by the company, and that it support the fellow subsidiaries to enable them to not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

However, the ability of Vivona Brands Limited to continue to provide this support is dependent on the viability of the Group, being Vivona Brands Limited and its subsidiaries. In considering going concern and the viability of the Group, the Director has reviewed the cash flow forecasts, which cover a period of 12 months from approval of these financial statements. In making this assessment the Directors has considered the impact of COVID-19, the recent trading performance of the Group and the available financing facilities.

The Directors' base case forecast is modelled on the assumption that the e-Commerce retail sector will continue with a higher market share and have therefore assumed an increase in overall Revenue levels but will be loss making whilst the Groups cost reduction program takes effect. The directors believe that there is a reasonable expectation that the ultimate parent would provide continued support, however at the date of approval of these financial statements this is still in discussion.

Consequently, the directors consider that the Groups ability to continue as a going concern is dependent on the availability of such additional support as may be needed. In the event that the effects of COVID-19 are more severe than the Directors anticipate, or it was unable to raise funds from the ultimate parent, these factors represent a material uncertainty that may cast significant doubt on the ability of the Group to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business.

Based on these indications the Director believes that it remains appropriate to prepare the financial statements on a going concern basis. However, these circumstances represent a material uncertainty that may cast doubt on the Company's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 38 (2020 - 53) .

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2021

4. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 May 2020 and 30 April 2021	<u>3,735,000</u>
AMORTISATION	
At 1 May 2020	2,418,560
Charge for year	<u>124,673</u>
At 30 April 2021	<u>2,543,233</u>
NET BOOK VALUE	
At 30 April 2021	<u>1,191,767</u>
At 30 April 2020	<u>1,316,440</u>

5. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Totals £
COST			
At 1 May 2020 and 30 April 2021	<u>336,701</u>	<u>2,591,814</u>	<u>2,928,515</u>
DEPRECIATION			
At 1 May 2020	228,227	1,838,677	2,066,904
Charge for year	<u>29,880</u>	<u>230,506</u>	<u>260,386</u>
At 30 April 2021	<u>258,107</u>	<u>2,069,183</u>	<u>2,327,290</u>
NET BOOK VALUE			
At 30 April 2021	<u>78,594</u>	<u>522,631</u>	<u>601,225</u>
At 30 April 2020	<u>108,474</u>	<u>753,137</u>	<u>861,611</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2021

6. FIXED ASSET INVESTMENTS

The company's investment at the Balance Sheet date in the share capital of companies include the following:

The company directly owns 100% of the share capital in Vivona Brands Bidco Limited and, by virtue of its investment in Vivona Brands Bidco Limited, it indirectly owns 100% of the share capital in Natural Products Limited and NPW-USA Inc.

Both Vivona Brands Bidco Limited and Natural Products Limited are incorporated in England and Wales with a registered office address of Tileman House, 131- 133 Upper Richmond Road, London, United Kingdom, SW15 2TR.

NPW- USA Inc is registered in the USA with a registered office of 1101 Gregory Street, Cincinnati, OH 45202.

NPW - Australia is registered in Australia with a registered office of PO BOX 1462, Clayton South Vic 3169, Australia.

These results and financial position for the year ended 30 April 2021 for these companies is as follows:

Name	Net Assets/(Liabilities)	Profit/(Loss for the year)
NPW-USA Inc.	867,579	(354,408)
NPW - Australia	(63,653)	189

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.4.21	30.4.20
	£	£
Trade debtors	1,545,816	3,123,001
Other debtors	530,299	589,527
	<u>2,076,115</u>	<u>3,712,528</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.4.21	30.4.20
	£	£
Bank loans and overdrafts	2,859,145	1,477,002
Trade creditors	2,738,077	5,513,437
Amounts owed to group undertakings	824,004	1,398,250
Taxation and social security	252,724	27,578
Other creditors	1,156,619	1,887,458
	<u>7,830,569</u>	<u>10,303,725</u>

9. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	30.4.21	30.4.20
	£	£
Within one year	413,950	413,950
Between one and five years	103,488	517,438
	<u>517,438</u>	<u>931,388</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2021

10. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

David Stansfield (Senior Statutory Auditor)
for and on behalf of Sedulo Audit Limited

11. RELATED PARTY DISCLOSURES

The company is taking advantage of the exemptions available in FRS102, not to disclose transactions within the Group as it is 100% owned and the financial statements of the Group are publicly available.

No further transactions were undertaken with related parties as such that are required to be disclosed under FRS102.

12. ULTIMATE CONTROLLING PARTY

The Company's immediate controlling party is Vivona Brands Limited, a Company incorporated in England and Wales, with registered office address of Tileman House, 131-133 Upper Richmond Road, Putney, London, United Kingdom, SW15 2TR. This is the largest level at which consolidated accounts are prepared.

On 6 May 2019, Webster Equity Partners became the company's ultimate controlling party by virtue of its majority shareholding.

Copies of the consolidated financial statements of Vivona Brands Limited are available from Companies House.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.