Financial Statements
Natural Balance Foods Limited

For the Period Ended 31 December 2016

Registered number: 05083700

Company Information

Directors	C J Combs G Combs J M M M Boone I Maes
Company secretary	J Johnston
Registered number	05083700
Registered office	1 Drakes Drive Long Crendon AYLESBURY Buckinghamshire HP18 9BA
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants & Statutory Auditor Exchange House Central Business Exchange Milton Keynes Buckinghamshire MK9 2DF
Accountants	Grant Thornton UK LLP 1020 Eskdale Road IQ Winnersh Wokingham Berkshire RG41 5TS

Natural Balance Foods Limited
Registered number:05083700

Contents

Strategic report
For the Period Ended 31 December 2016

Introduction

Natural Balance Foods Limited has been in the forefront of delivering healthy snack food options primarily to the British Retail and Wholesale market. We design, market and sell under the Nakd and JC's Trek brands a wide range of snack bars and flavour infused raisins to most UK based retail, grocery, convenience and health food distributors. The primary objective is to deliver wholefood alternatives that taste great.

Business review

The company has experienced remarkable growth since inception and during this period.

The company sales for this 9 months period were £31,363,592 compared to £32,946,405 for the previous 12 months.

Growth has come from existing accounts experiencing increasing Rate of Sale (ROI), new listings, new products and new accounts.

Principal risks and uncertainties

The company is exposed to many of the same financial risks as any other company or food company; a reduction in sales, customer default, rising product costs and recall.

Our structure of third party manufacturing helps to mitigate many of the production associated risks. Production agreements help to defer the immediate effects of commodity related spikes and permits management some time to mitigate these risks with product changes, and encouraging third party manufacturers to purchase on long nut, date, and packaging contracts. Each of our third party manufacturers have a Supply Agreement in place requiring, amongst other things, ingredient checks, production standards and Quality Control.

Our credit terms to customers is rather strict with any and all credit requests requiring three orders paid on time prior to credit consideration; then is only extended upon HSBC approval. During this period of time we have expanded our Insurance Coverage and Product Recall Insurance.

Credit Risk

The Company's principal financial assets are cash and trade debtors. The principle credit risk arises from its trade debtors, each checked with our bank and regularly reviewed in conjunction with aged debt.

Strategic report (continued)
For the Period Ended 31 December 2016

Cash Flow Risks

The Company seeks to manage risks to ensure sufficient liquidity to meet foreseeable needs. It does not invest in any non company related assets. Considerable time and effort has been expended during the last six months of this period to better-forecast future demand via COGNOS, which shall next year, tie in with a proper cash flow mechanic

Currency Risk

The Company was not exposed to material currency fluctuations. A small proportion of our sales are conducted or exposed in Canadian Dollars, US Dollars and Euro's. Most of our third party manufacturers are exposed to world commodity price fluctuations in British Pounds relating to Dates, nuts and packaging.

Customer Risk

The Company has a diverse customer base and continues to make sales to new customers. It has a relatively high level of customer concentration. Recently the level of concentration has reduced.

Financial key performance indicators

Our key performance indicators are:

	2016 9m ended 31 December	2016 12m ended 31 March
Sales growth (* - prorated to 12 months)	26.9%*	48.1%

Sales Growth
The last 9 months have seen Natural Balances Foods Limited continue to grow due to strong growth in all of our sales categories, particularly the Grocery sector. Overall the growth is underpinned by a mainstream shift towards healthy eating.

Gross Profit
Gross profit has been retained by the strong sales margin throughout.

Net Profit
Net profit has been retained by management maintaining a strong ethos in controlling overheads without it impacting the growth of the company.

This report was approved by the board on 30 September 2017 and signed on its behalf.

J Combs
Director

Natural Balance Foods Limited
Registered number:05083700

Directors' report
For the Period Ended 31 December 2016

The directors present their report and the audited financial statements for the period ended 31 December 2016.

Directors' responsibilities statement

The directors are responsible for preparing the the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial 9 month period. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 comply with the Companies Act 2006.

The directors 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.

Results and dividends

The profit for the financial period amounted to £2,012,211 (2016 - £1,826,898).

Particulars of dividends paid are detailed in note 10 to the financial statements.

Directors

The directors who served during the period were:

C J Combs
G Combs
J M M M Boone
I Maes

Directors' report (continued)
For the Period Ended 31 December 2016

Future developments

The directors note that 2016 was a terrific year for Natural Balance Foods. This is highlighted by the investment made by Lotus Bakeries, successful NPD & territorial expansion and increased market share. We are equally optimistic about next year, with exciting new products coming on line, continued domestic and international expansion and market gains. The company has an excellent balance sheet, and is profitable with good cash flow.

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 30 September 2017 and signed on its behalf.

J Combs
Director

Independent auditors' report to the members of Natural Balance Foods Limited

Report on the financial statements

Our opinion

In our opinion, Natural Balance Foods Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the 9 month period (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.

What we have audited

The financial statements, included within the financial statements (the "Annual Report"), comprise: —

- the balance sheet as at 31 December 2016;
- the statement of comprehensive income for the period then ended;
- the statement of changes in equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of Natural Balance Foods Limited (continued)

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report 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. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.

Jonathan Gilpin (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Milton Keynes
30 September 2017

Natural Balance Foods Limited
Registered number:05083700

Statement of comprehensive income
For the Period Ended 31 December 2016

	Note	9 months ended 31 December 2016 £	12 months ended 31 March 2016 £
Turnover	3	**31,363,592**	32,946,405
Cost of sales		**(20,582,839)**	(21,903,033)
Gross profit		**10,780,753**	11,043,372
Administrative expenses		**(8,244,890)**	(8,243,115)
Other operating expenses		**(628)**	(17,573)
Operating profit	4	**2,535,235**	2,782,684
Interest payable and similar expenses	8	**(2,024)**	(7,009)
Profit before taxation		**2,533,211**	2,775,675
Tax on profit	9	**(521,000)**	(481,554)
Profit for the financial period / year		**2,012,211**	2,294,121

Natural Balance Foods Limited
Registered number:05083700

Balance sheet

As at 31 December 2016

	Note		31 December 2016 £		31 March 2016 £
Fixed assets					
Intangible assets	11		**95,570**		96,901
Tangible assets	12		**492,904**		288,233
Investments	13		**5,573**		5,573
			594,047		390,707
Current assets					
Stocks	14	**4,082,491**		4,040,237	
Debtors: amounts falling due within one year	15	**7,225,220**		5,588,387	
Cash at bank and in hand	16	**1,458,692**		726,766	
		12,766,403		10,355,390	
Creditors: amounts falling due within one year	17	**(6,830,304)**		(5,471,797)	
Net current assets			**5,936,099**		4,883,593
Total assets less current liabilities			**6,530,146**		5,274,300
Provisions for liabilities					
Deferred tax	19	**(58,340)**		(58,340)	
			(58,340)		(58,340)
Net assets			**6,471,806**		5,215,960
Capital and reserves					
Called up share capital	20		**1,176**		1,176
Share premium account	21		**299,824**		299,824
Profit and loss account	21		**6,170,806**		4,914,960
Total equity			**6,471,806**		5,215,960

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

30 SEPTEMBER 2017

J Combs
Director

The notes on pages 12 to 29 form part of these financial statements.

Natural Balance Foods Limited
Registered number:05083700

Statement of changes in equity

For the Period Ended 31 December 2016

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2016	1,176	299,824	4,914,960	5,215,960
Comprehensive income for the period				
Profit for the financial period	-	-	2,012,211	2,012,211
Actuarial gains on pension scheme	-	-	-	-
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	2,012,211	2,012,211
Dividends: Equity capital	-	-	(756,365)	(756,365)
Total transactions with owners	-	-	(756,365)	(756,365)
At 31 December 2016	1,176	299,824	6,170,806	6,471,806

Statement of changes in equity (continued)
For the Year Ended 31 March 2016

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2015	**1,176**	**299,824**	**2,620,839**	**2,921,839**
Comprehensive income for the year				
Profit for the financial year	-	-	2,294,121	2,294,121
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	2,294,121	2,294,121
Total transactions with owners	-	-	-	-
At 31 March 2016	**1,176**	**299,824**	**4,914,960**	**5,215,960**

The notes on pages 12 to 29 form part of these financial statements.

Notes to the financial statements
For the Period Ended 31 December 2016

1. General information

Natural Balance Foods Limited is a limited liability company incorporated in the United Kingdom. Its registered office and principal trading address is Unit 10 Wornal Park, Worminghall, Buckinghamshire, HP18 9PH.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note).

The following principal accounting policies have been applied:

Notes to the financial statements (continued)
For the Period Ended 31 December 2016

2. Accounting policies (continued)

2.2 Revenue and expenditure

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.3 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

Notes to the financial statements (continued)

For the Period Ended 31 December 2016

2. Accounting policies (continued)

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a straight line and reducing balance basis as appropriate.

Depreciation is provided on the following basis:

Land and buildings	- 15 years straight line
Plant and machinery	- 15% reducing balance
Motor vehicles	- 10 - 15 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of comprehensive income.

2.5 Operating leases: Lessee

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

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Income statement for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

Notes to the financial statements (continued)
For the Period Ended 31 December 2016

2. Accounting policies (continued)

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first outbasis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

i) at fair value with changes recognised in the Income statement if the shares are publicly traded or their fair value can otherwise be measured reliably;
ii) at cost less impairment for all other investments.

Notes to the financial statements (continued)
For the Period Ended 31 December 2016

2. Accounting policies (continued)

2.10 Financial instruments (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Notes to the financial statements (continued)
For the Period Ended 31 December 2016

2. Accounting policies (continued)

2.12 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income statement except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Income statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Income statement within 'other operating income'.

2.13 Finance costs

Finance costs are charged to the Income statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.15 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Income statement when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

Notes to the financial statements (continued)

For the Period Ended 31 December 2016

2. Accounting policies (continued)

2.16 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance sheet date.

2.17 Borrowing costs

All borrowing costs are recognised in the Income statement in the period in which they are incurred.

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Income statement in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.19 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Income statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and

- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the financial statements (continued)
For the Period Ended 31 December 2016

3. Turnover

Analysis of turnover by country of destination:

	9 months ended 31 December 2016 £	12 months ended 31 March 2016 £
United Kingdom	**29,676,654**	30,157,205
Rest of the world	**1,686,938**	2,789,200
	31,363,592	32,946,405

4. Operating profit

The operating profit is stated after charging:

	9 months ended 31 December 2016 £	12 months ended 31 March 2016 £
Depreciation of tangible assets	**35,515**	69,454
Amortisation of intangible assets, including goodwill	**15,723**	18,868
Fees payable to the Company's auditors and their associates for the audit of the company's annual financial statements	**24,000**	15,000
Operating lease expense	**72,533**	134,581
Exchange differences	**628**	7,947
Defined contribution pension cost	**38,050**	3,997

5. Auditors' remuneration

	9 months ended 31 December 2016 £	12 months ended 31 March 2016 £
Fees payable to the Company's auditors and their associates for the audit of the Company's annual financial statments	**24,000**	15,000
	24,000	15,000
	-	-

Notes to the financial statements (continued)
For the Period Ended 31 December 2016

6. Employees

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

	9 months ended 31 December 2016 £	12 months ended 31 March 2016 £
Wages and salaries	**1,871,255**	1,853,453
Social security costs	**195,417**	206,749
Other pension costs	**38,050**	3,997
	2,104,722	2,064,199

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

	9 months ended 31 December 2016 No.	12 months ended 31 March 2016 No.
	49	39

7. Directors' remuneration

	9 months ended 31 December 2016 £	12 months ended 31 March 2016 £
Directors' emoluments	**337,050**	170,531
	337,050	170,531

The highest paid director received remuneration of £337,050 (2016 - £170,531).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2016 - £NIL).

Notes to the financial statements (continued)
For the Period Ended 31 December 2016

8. Interest payable and similar expenses

	9 months ended 31 December 2016 £	12 months ended 31 March 2016 £
Bank interest payable	-	1,452
Finance leases and hire purchase contracts	**2,024**	5,557
	2,024	7,009

9. Tax on profit

	9 months ended 31 December 2016 £	12 months ended 31 March 2016 £
Corporation tax		
Current tax on profits for the period/year	**521,000**	477,988
	521,000	477,988
Total current tax	**521,000**	477,988
Deferred tax		
Accelerated capital allowances	-	3,566
Total deferred tax	-	3,566
Taxation on profit on ordinary activities	**521,000**	481,554

Notes to the financial statements (continued)
For the Period Ended 31 December 2016

9. Tax on profit (continued)

Factors affecting tax charge for the period/year

The tax assessed for the period/year is the same as (2016 – is the same as) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	9 months ended 31 December 2016 £	12 months ended 31 March 2016 £
Profit before taxation	**2,533,211**	2,775,675
Profit before taxation multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	**506,642**	555,135
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	189
Fixed asset differences	-	524
Adjustments to tax charge in respect of prior periods	-	(9,105)
Deferred tax	-	3,566
Other differences leading to an increase (decrease) in the tax charge	**14,358**	(68,755)
Total tax charge for the period/year	**521,000**	481,554

10. Dividends

	31 December 2016 £	31 March 2016 £
Equity dividends	**756,365**	-
	756,365	-

Notes to the financial statements (continued)
For the Period Ended 31 December 2016

11. Intangible assets

	Software £
Cost	
At 1 April 2016	147,555
Additions	14,392
At 31 December 2016	161,947
Accumulated Amortisation	
At 1 April 2016	50,654
Charge for the year	15,723
At 31 December 2016	66,377
Net book value	
At 31 December 2016	95,570
At 31 March 2016	96,901

12. Tangible assets

	Land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 April 2016	2,548	362,225	104,568	469,341
Additions	257,389	88,212	18,585	364,186
Disposals	-	(210,167)	-	(210,167)
At 31 December 2016	259,937	240,270	123,153	623,360
Accumulated Depreciation				
At 1 April 2016	-	134,778	46,330	181,108
Charge owned for the period	7,150	20,966	7,399	35,515
Disposals	-	(86,167)	-	(86,167)
At 31 December 2016	7,150	69,577	53,729	130,456
Net book value				
At 31 December 2016	252,787	170,693	69,424	492,904
At 31 March 2016	2,548	227,447	58,238	288,233

Notes to the financial statements (continued)
For the Period Ended 31 December 2016

12. Tangible assets (continued)

The net book value of land and building may be further analysed as follows:

	31 December 2016 £	31 March 2016 £
Long leasehold	**252,787**	2,548
	252,787	2,548

13. Investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2016	**5,573**
At 31 December 2016	**5,573**
At 31 December 2016	**-**
Net book value	
At 31 December 2016	**5,573**
At 31 March 2016	5,573

Notes to the financial statements (continued)
For the Period Ended 31 December 2016

12. Tangible assets (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Natural Balance Foods Inc	USA	Ordinary	100 %	Delivering healthy snack food options to the Retail and Wholesale market

The aggregate of the share capital and reserves as at 31 December 2016 and of the profit or loss for the period ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves 31 December 2016 £
Natural Balance Foods Inc	(452,528)
	(452,528)

Notes to the financial statements (continued)
For the Period Ended 31 December 2016

13. Investments (continued)

14. Stocks

	31 December 2016 £	31 March 2016 £
Raw materials and consumables	**60,000**	60,000
Finished goods and goods for resale	**4,022,491**	3,980,237
	4,082,491	4,040,237

15. Debtors: amounts falling due within one year

	31 December 2016 £	31 March 2016 £
Trade debtors	**5,015,193**	4,998,036
Amounts owed by group undertakings	**2,097,029**	404,903
Prepayments and accrued income	**112,998**	185,448
	7,225,220	5,588,387

Notes to the financial statements (continued)
For the Period Ended 31 December 2016

16. Cash at bank and in hand

	31 December 2016 £	31 March 2016 £
Cash at bank and in hand	**1,458,692**	726,766
	1,458,692	726,766

17. Creditors: Amounts falling due within one year

	31 December 2016 £	31 March 2016 £
Bank loans and overdrafts	**1,130,511**	1,411,797
Trade creditors	**3,118,032**	3,459,998
Amounts owed to group undertakings	**1,618,392**	-
Corporation tax	**93,988**	177,988
Other taxation and social security	**194,118**	122,137
Obligations under finance lease and hire purchase contracts	**58,511**	70,122
Other creditors	**8,784**	6,489
Accruals and deferred income	**607,968**	223,266
	6,830,304	5,471,797

Secured loans

The invoice discounting facility is secured against trade debtors.

Notes to the financial statements (continued)
For the Period Ended 31 December 2016

18. Financial instruments

	31 December 2016 £	31 March 2016 £
Financial assets		
Financial assets measured at fair value through profit or loss	**1,458,692**	726,766
Financial assets that are debt instruments measured at amortised cost	**7,112,222**	5,402,939
	8,570,914	6,129,705
Financial liabilities		
Financial liabilities measured at amortised cost	**(6,542,198)**	(5,095,295)
	(6,542,198)	(5,095,295)

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.
Financial assets measured at amortised cost comprise trade debtors and amounts due from group companies.
Financial Liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

19. Deferred taxation

	Deferred tax £
At 1 April 2016	**(58,340)**
At 31 December 2016	**(58,340)**

The provision for deferred taxation is made up as follows:

	31 December 2016 £	31 March 2016 £
Accelerated capital allowances	**(58,340)**	(58,340)

Notes to the financial statements (continued)

For the Period Ended 31 December 2016

	(58,340)	(58,340)

20. Called up share capital

	31 December 2016 £	31 March 2016 £
Allotted, called up and fully paid		
1,176- Ordinary shares shares of £1 each	**1,176**	1,176

21. Reserves

Profit and loss account
Includes all current and prior period profits and losses.

22. Related party transactions

During the period the following transactions with related parties were noted:

Sales of £31,106 (March 2016: £132,582) were made to Natural Balance Foods Inc., a wholly owned subsidiary. As of the balance sheet date a total of £530,477 (March 2016: £410,476) was outstanding.

Purchases of £nil (March 2016:£3,600) were made from D2F Solutions limited, a related party through a common directorship. As of the balance sheet date a total of £nil (March 2016: £300) was outstanding.

Sales of £2,021,992 (March 2016: £nil) were made to Koninklijke Peijnenburg BV, a related party through a common group parent. As of the balance sheet date a total of £133,046 (March 2016: £184,744) was outstanding.

23. Controlling party

67.2% of the company's share capital is owned by Lotus Bakeries NV, who are considered to be the ultimate controlling party.

24. Commitments under operating leases

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	31 December 2016 £	31 March 2016 £
Not later than 1 year	**182,275**	38,261
Later than 1 year and not later than 5 years	**600,000**	1,096
Later than 5 years	**687,500**	-
Total	**1,469,775**	39,357