

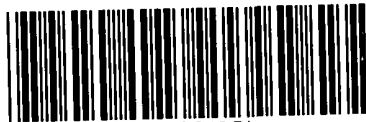
Registered number: 01300295

# MARIGOLD HEALTH FOODS LIMITED

## ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

TUESDAY



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**MARIGOLD HEALTH FOODS LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	P J Tobin P M Langsam (appointed 30 May 2016) O T Aluko (appointed 30 May 2016)
<b>Registered number</b>	01300295
<b>Registered office</b>	Unit 2 550 White Hart Lane London N17 7BF
<b>Independent auditor</b>	Nexia Smith & Williamson Chartered Accountants & Statutory Auditors 25 Moorgate London EC2R 6AY
<b>Bankers</b>	HSBC London W1U 6AX
<b>Solicitors</b>	Solomon Taylor & Shaw 3 Coach House Yard Hampstead High Street London NW3 1QD

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**MARIGOLD HEALTH FOODS LIMITED**

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## MARIGOLD HEALTH FOODS LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2016

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#### Principal Activity

The principal activity of the Company during the year continues to be that of the wholesale of vegetarian and vegan foods, drinks, nutritional supplements, toiletries and other animal-free products.

#### Business review

The financial results for the year and the Company's financial position at the year end are shown in the attached statements.

Marigold Health Foods is a wholesaler and distributor of 5,000 lines of pre-packaged natural and organic food.

From our warehouse in Tottenham we run a fleet of 16 chilled vehicles which service an area of within 60 miles of central London. We also sell our own brand of stock powders to all the big Supermarket chains. We have a strong reputation for innovation and being the first to market with new products in the independent sector.

We have a very diverse customer base, but our 3 biggest customers are London based independent chains. We have seen our turnover grow by in the region of £3.5 million (12%). Our gross profit on sales remains similar to last year. Although the market has become more competitive and we have had to offer larger discounts, we have sometimes been able to negotiate better terms with suppliers.

Having settled into our new premises we have already invested in more mezzanine space to help with our rate of growth. Night time deliveries have now become a feature of our service to our biggest customers.

Our staff levels have increased to enable more deliveries to go out earlier in the day and we are refining our shift systems to ensure that we give the best service that we can. These increased costs are generally in line with our growth in turnover.

#### Principal risks and uncertainties

The large unknown is the effect of BREXIT and the realignment of currency values. We hope to do all we can to keep our imported goods affordable and explore new potential in the export market.

#### Financial key performance indicators

Our gross profit margins have remained stable and our net profit is considerably up on last year.

Our turnover is significantly increased to a level well above the industry average and our cash holding is more than adequate for any normal contingencies.

#### Other key performance indicators

We have an increase in staff costs but are cutting transport costs.

#### Financial risk management

Details of the Company's financial instruments and its policies with regard to financial risk management are given in note 18 to the financial statements.

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**MARIGOLD HEALTH FOODS LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2016**

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This report was approved by the board on

and signed on its behalf.



20 10 2016

**P J Tobin**  
Director

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## MARIGOLD HEALTH FOODS LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016

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The Director presents his report and the financial statements for the year ended 31 March 2016.

#### Directors' responsibilities statement

The Director is responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the Director must not approve the financial statements unless he is 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 Director is required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments 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.

The Director is 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 him 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.

#### Results and dividends

The profit for the year, after taxation, amounted to £884,425 (2015 - £470,532).

The Director declared and received an interim dividend of £100,000 (2015 - £100,000) during the year. The Director proposed and declared a final dividend of £2,500,000 (2015 - £nil) during the year.

#### Director

The Director who served during the year was:

P J Tobin

#### Future developments

We have introduced a new design for our own label brands which have now appeared on the retailer's shelves. New supermarket listings are expected on the strength of this initiative. We are also working on some exciting New Product Development (NPD) for the Marigold brand which should be launched by autumn 2016.

There has been further investment in developing our barcode scanning system for order picking accuracy and also a new interactive B2B website. We have very high hopes that this will transform our customer and supplier experience.

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**MARIGOLD HEALTH FOODS LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2016**

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**Disclosure of information to auditor**

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the 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.

**Post balance sheet events**

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

**Auditor**

The auditor, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on

and signed on its behalf.



20-10-2016

**P J Tobin**  
Director

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## MARIGOLD HEALTH FOODS LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MARIGOLD HEALTH FOODS LIMITED

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We have audited the financial statements of Marigold Health Foods Limited for the year ended 31 March 2016, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity and the related notes 1 to 26. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 on page 3, the Director is 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 Financial Reporting Council's (FRC'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 FRC'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 31 March 2016 and of its profit or loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements



**MARIGOLD HEALTH FOODS LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MARIGOLD HEALTH FOODS  
LIMITED (CONTINUED)**

**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.

*Nexia Smith & Williamson*

Stephen Drew (Senior Statutory Auditor)

for and on behalf of

**Nexia Smith & Williamson**

Chartered Accountants & Statutory Auditors

25 Moorgate

London

EC2R 6AY

Date:

**MARIGOLD HEALTH FOODS LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	2016	2015 £
Turnover	3	31,776,080	28,295,238
Cost of sales		(26,090,910)	(23,313,122)
<b>Gross profit</b>		<b>5,685,170</b>	<b>4,982,116</b>
Distribution costs		(1,952,184)	(2,201,776)
Administrative expenses		(2,791,736)	(2,262,054)
Other operating income	4	123,321	71,454
<b>Operating profit</b>	5	<b>1,064,571</b>	<b>589,740</b>
Interest receivable and similar income	9	21,368	9,071
Interest payable and expenses	10	-	(14)
<b>Profit before tax</b>		<b>1,085,939</b>	<b>598,797</b>
Tax on profit	11	(201,514)	(128,265)
<b>Profit for the year</b>		<b>884,425</b>	<b>470,532</b>

There was no other comprehensive income for 2016 (2015: NIL).

The notes on pages 12 to 26 form part of these financial statements.

**MARIGOLD HEALTH FOODS LIMITED**  
**REGISTERED NUMBER: 01300295**

**BALANCE SHEET**  
**AS AT 31 MARCH 2016**

	Note	£	2016 £	£	2015 £
<b>Fixed assets</b>					
Tangible assets	13		1,035,760		1,028,954
			<u>1,035,760</u>		<u>1,028,954</u>
<b>Current assets</b>					
Stocks	14	1,500,838		1,293,279	
Debtors: amounts falling due after more than one year	15	262,142		301,367	
Debtors: amounts falling due within one year	15	3,756,849		3,186,648	
Cash at bank and in hand	16	1,714,137		3,418,165	
			<u>7,233,966</u>	<u>8,199,459</u>	
Creditors: amounts falling due within one year	17	(3,512,529)		(2,775,861)	
<b>Net current assets</b>			<u>3,721,437</u>		<u>5,423,598</u>
<b>Total assets less current liabilities</b>			<u>4,757,197</u>		<u>6,452,552</u>
<b>Provisions for liabilities</b>					
Deferred tax	19	(110,321)		(90,101)	
			<u>(110,321)</u>	<u>(90,101)</u>	
<b>Net assets</b>			<u>4,646,876</u>		<u>6,362,451</u>
<b>Capital and reserves</b>					
Called up share capital	20		1,876		1,876
Capital redemption reserve	21		1,876		1,876
Profit and loss account	21		4,643,124		6,358,699
			<u>4,646,876</u>		<u>6,362,451</u>

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

*Pat L. T. C.*

**P J Tobin**  
Director

20-10-2016

**MARIGOLD HEALTH FOODS LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2016**

	<b>Called up share capital</b>	<b>Capital redemption reserve</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	£	£	£	£
<b>At 1 April 2015</b>	<b>1,876</b>	<b>1,876</b>	<b>6,358,699</b>	<b>6,362,451</b>
<b>Comprehensive Income for the year</b>				
Profit for the year	-	-	884,425	884,425
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>884,425</b>	<b>884,425</b>
Dividends: Equity capital	-	-	(2,600,000)	(2,600,000)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>(2,600,000)</b>	<b>(2,600,000)</b>
<b>At 31 March 2016</b>	<b>1,876</b>	<b>1,876</b>	<b>4,643,124</b>	<b>4,646,876</b>

**MARIGOLD HEALTH FOODS LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2015**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2014	1,876	1,876	5,988,167	5,991,919
<b>Comprehensive Income for the year</b>				
Profit for the year	-	-	470,532	470,532
<b>Total comprehensive income for the year</b>	-	-	470,532	470,532
Dividends: Equity capital	-	-	(100,000)	(100,000)
<b>Total transactions with owners</b>	-	-	(100,000)	(100,000)
<b>At 31 March 2015</b>	<b>1,876</b>	<b>1,876</b>	<b>6,358,699</b>	<b>6,362,451</b>

The notes on pages 12 to 26 form part of these financial statements.

**MARIGOLD HEALTH FOODS LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2016**

	2016 £	2015 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	884,425	470,532
<b>Adjustments for:</b>		
Depreciation of tangible assets	107,516	80,728
Loss on disposal of tangible assets	(499)	3,010
Increase in stocks	(207,559)	(100,616)
Interest paid	-	14
Interest received	(21,368)	(9,071)
Taxation	201,514	128,265
(Increase)/decrease in debtors	(530,976)	362,036
Increase in creditors	623,118	599,013
Corporation tax	(67,744)	(1,035,250)
<b>Net cash generated from operating activities</b>	<b>988,427</b>	<b>498,661</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(114,323)	(458,803)
Sale of tangible fixed assets	500	-
Interest received	21,368	9,071
<b>Net cash from investing activities</b>	<b>(92,455)</b>	<b>(449,732)</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(2,600,000)	(100,000)
Interest paid	-	(14)
<b>Net cash used in financing activities</b>	<b>(2,600,000)</b>	<b>(100,014)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,704,028)</b>	<b>(51,085)</b>
Cash and cash equivalents at beginning of year	3,418,165	3,469,250
<b>Cash and cash equivalents at the end of year</b>	<b>1,714,137</b>	<b>3,418,165</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	1,714,137	3,418,165
	<b>1,714,137</b>	<b>3,418,165</b>

The notes on pages 12 to 26 form part of these financial statements.

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## MARIGOLD HEALTH FOODS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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#### 1. Accounting policies

##### 1.1 Basis of preparation of financial statements

Marigold Health Foods Limited is a private limited company incorporated in England and Wales. The address of the registered office is Unit 2, 550 White Hart Lane, London, N17 7BF.

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. These financial statements are the first financial statements prepared in accordance with FRS 102. The first date at which FRS 102 was applied was 1 April 2014. In accordance with FRS 102 the company has:

- provided comparative information;
- applied the same accounting policies throughout all periods presented;
- retrospectively applied FRS 102 as required; and
- applied certain optional exemptions and mandatory exceptions as applicable for first time adopters of FRS 102.

Information on the impact of first-time adoption of FRS 102 is given in note 26.

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 2).

The following principal accounting policies have been applied:

##### 1.2 Revenue

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; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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## MARIGOLD HEALTH FOODS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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#### 1. Accounting policies (continued)

##### 1.3 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Leasehold property	- Over the term of the lease
Motor vehicles	- Straight line over 6 years
Fixtures & fittings	- Straight line over estimated life at variable rates
Improvements to leasehold	- Over the term of the lease from when asset is in use

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 in the Statement of comprehensive income.

##### 1.4 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 weighted average basis. 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.

##### 1.5 Financial Instruments

Financial assets and financial liabilities are recognised in the Balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Company's cash management.

Financial liabilities and equity instruments issued by the Company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability



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**MARIGOLD HEALTH FOODS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**1. Accounting policies (continued)****1.5 Financial instruments (continued)**

and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

**1.6 Foreign currency translation****Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Transactions in foreign currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each Balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Exchange gains and losses on short-term foreign currency borrowings and deposits are included within net interest payable. Exchange differences on all other transactions are taken to operating profit.

**1.7 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.

**1.8 Operating leases: the Company as lessee**

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

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**MARIGOLD HEALTH FOODS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**1. Accounting policies (continued)****1.9 Employee benefits**

Short term employee benefits including holiday pay and annual bonuses are accrued as services are rendered. Contributions to defined contribution pension schemes are charged to profit or loss as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the year and those actually paid are shown as either accruals or prepayments in the Balance sheet.

**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.

**1.10 Interest income**

Interest income is recognised in the Statement of comprehensive Income using the effective interest method.

**1.11 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 Statement of comprehensive income 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.

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**MARIGOLD HEALTH FOODS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**1. Accounting policies (continued)**

**1.12 Taxation**

The tax expense represents the sum of the tax currently payable and any deferred tax.

The current tax charge is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences between taxable profits and total comprehensive income that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

**2. Judgments in applying accounting policies and key sources of estimation uncertainty**

In preparing these financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the Balance sheet date and the reported amounts of revenues and expenses during the reporting period.

**Bad debt provisions:**

A trade debtors balance of £3,568,497 is recorded in the Company's Balance sheet. A full line by line review of trade debtors is carried out on a regular basis. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectible.

**EU BREXIT referendum:**

Following the result of the EU BREXIT referendum in June 2016, the Director has assessed the risk of estimation uncertainty. The large unknown is the effect of BREXIT and the realignment of currency values.

We hope to do all we can to keep our imported goods affordable and explore new potential export markets to limit the overall impact.

**3. Turnover**

The whole of the turnover is attributable to the principal activity of the Company being a wholesaler of vegetarian and vegan foods, drinks nutritional supplements, toiletries and other animal free products.

All turnover arose within the United Kingdom.

**MARIGOLD HEALTH FOODS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**4. Other operating Income**

	2016 £	2015 £
Advertisement Income	121,321	71,454
Rents receivable	2,000	-
	<u>123,321</u>	<u>71,454</u>

**5. Operating profit**

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	107,516	80,728
Fees payable to the Company's auditor and its associates for the audit of the company's annual financial statements	35,505	74,222
Exchange differences	(32,774)	(9,071)
Other operating lease rentals	372,685	256,718
Defined contribution pension cost	101,562	161,406
Stock impairment	54,229	19,517
	<u>54,229</u>	<u>19,517</u>

**6. Auditor's remuneration**

	2016 £	2015 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	20,100	19,525
	<u>20,100</u>	<u>19,525</u>

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**MARIGOLD HEALTH FOODS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**7. Employees**

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

	2016 £	2015 £
Wages and salaries	2,004,463	1,829,774
Social security costs	676,925	655,368
Cost of defined contribution scheme	101,562	161,406
	<u>2,782,950</u>	<u>2,646,548</u>

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

2016 No.	2015 No.
<u>98</u>	<u>90</u>

**8. Directors' remuneration**

	2016 £	2015 £
Directors' emoluments	20,000	66,333
Company contributions to defined contribution pension schemes	16,000	80,000
	<u>36,000</u>	<u>146,333</u>

During the year retirement benefits were accruing to 1 Director (2015 - 1) in respect of defined contribution pension schemes.

During the year the Director was granted a total dividend of £2,600,000 (2015 - £100,000). The Interim dividend of £100,000 (2015 - £100,000) was paid during the year.

Key management are those persons having authority and responsibility for planning, controlling and directing the activities of the company. In the opinion of the Director the Company's key management includes the directors and members of senior management. The compensation paid or payable to key management for employee services relates to salaries and other short term benefits including pension contributions of £199,862 (2015 - £209,025).

**MARIGOLD HEALTH FOODS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**9. Interest receivable**

	2016 £	2015 £
Bank interest receivable	7,084	7,045
Other interest receivable	14,284	2,026
	<u>21,368</u>	<u>9,071</u>

**10. Interest payable and similar charges**

	2016 £	2015 £
Bank interest payable	-	14
	<u>-</u>	<u>14</u>

**11. Taxation**

	2016 £	2015 £
<b>Corporation tax</b>		
Current tax on profits for the year	216,919	99,225
Adjustments in respect of previous periods	(35,625)	124
<b>Total current tax</b>	<u>181,294</u>	<u>99,349</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	2,465	28,916
Adjustments in respect of prior periods	29,739	-
Effect of tax rate change on opening balance	(11,984)	-
<b>Total deferred tax</b>	<u>20,220</u>	<u>28,916</u>
<b>Taxation on profit on ordinary activities</b>	<u>201,514</u>	<u>128,265</u>

# MARIGOLD HEALTH FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

### 11. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 21%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	1,085,939	598,797
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	217,188	125,747
Effects of:		
Capital allowances for year in excess of depreciation	5,934	(19,636)
Adjustments to tax charge in respect of prior periods	(35,625)	124
Adjustments to tax charge in respect of previous periods - deferred tax	29,739	-
Short term timing difference leading to an increase (decrease) in taxation	-	24,568
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(3,465)	-
Marginal relief	-	(2,538)
Adjust closing deferred tax to average rate of 20%	(12,257)	-
<b>Total tax charge for the year</b>	<b>201,514</b>	<b>128,265</b>

#### Factors that may affect future tax charges

On 8 July 2015 the government announced its intention to propose to Parliament a reduction in the corporation tax rate to 19% for the tax years from 2017 to 2020 and 18% for the tax year 2020.

Finance (No.2) Bill 2015 provides that the rate of corporation tax for the 2017 Financial Year (commencing 1 April 2017) will be 19% and that the rate from 1 April 2020 would be 18%. This bill became substantively enacted on 26 October 2015.

### 12. Dividends

	2016 £	2015 £
Dividends paid on equity capital	2,600,000	100,000
	<b>2,600,000</b>	<b>100,000</b>

**MARIGOLD HEALTH FOODS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**13. Tangible fixed assets**

	L/Term Leasehold Property £	Motor vehicles £	Fixtures & fittings £	Total £
<b>Cost or valuation</b>				
At 1 April 2015	977,595	-	218,423	1,196,018
Additions	42,445	5,875	66,003	114,323
Disposals	-	-	(6,221)	(6,221)
At 31 March 2016	<u>1,020,040</u>	<u>5,875</u>	<u>278,205</u>	<u>1,304,120</u>
<b>Depreciation</b>				
At 1 April 2015	63,049	-	104,016	167,065
Charge for period on owned assets	69,310	1,306	36,900	107,516
Disposals	-	-	(6,221)	(6,221)
At 31 March 2016	<u>132,359</u>	<u>1,306</u>	<u>134,695</u>	<u>268,360</u>
<b>Net book value</b>				
At 31 March 2016	<u>887,681</u>	<u>4,569</u>	<u>143,510</u>	<u>1,035,760</u>
At 31 March 2015	<u>914,547</u>	<u>-</u>	<u>114,407</u>	<u>1,028,954</u>

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

	2016 £	2015 £
Long leasehold	887,681	914,547
	<u>887,681</u>	<u>914,547</u>



**MARIGOLD HEALTH FOODS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**14. Stocks**

	2016 £	2015 £
Finished goods and goods for resale	1,500,838	1,293,279
	<u>1,500,838</u>	<u>1,293,279</u>

Stock recognised in cost of sales during the period as an expense was £26,090,874 (2015 - £23,313,121).

**15. Debtors**

	2016 £	2015 £
<b>Due after more than one year</b>		
Other debtors	262,142	301,367
	<u>262,142</u>	<u>301,367</u>
	2016 £	2015 £
<b>Due within one year</b>		
Trade debtors	3,568,497	3,011,212
Other debtors	117,216	79,685
Prepayments and accrued income	71,136	95,751
	<u>3,756,849</u>	<u>3,186,648</u>

**16. Cash and cash equivalents**

	2016 £	2015 £
Cash at bank and in hand	1,714,137	3,418,165
	<u>1,714,137</u>	<u>3,418,165</u>

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**MARIGOLD HEALTH FOODS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**17. Creditors: Amounts falling due within one year**

	2016 £	2015 £
Trade creditors	2,918,379	2,523,642
Corporation tax	212,775	99,225
Taxation and social security	62,075	58,994
Other creditors	61,719	70,940
Accruals and deferred income	257,581	23,060
	<u>3,512,529</u>	<u>2,775,861</u>

# MARIGOLD HEALTH FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

### 18. Financial instruments

	2016 £	2015 £
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	1,714,137	3,418,165
Financial assets that are debt instruments measured at amortised cost	4,018,989	3,392,264
	<u>5,733,126</u>	<u>6,810,429</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(3,028,274)	(2,546,702)
	<u>(3,028,274)</u>	<u>(2,546,702)</u>

Financial assets measured at amortised cost comprise trade debtors and other debtors.

Financial Liabilities measured at amortised cost comprise trade creditors and accruals and deferred income.

Financial assets and financial liabilities are recognised in the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Company's cash management.

Financial liabilities and equity instruments issued by the Company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

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**MARIGOLD HEALTH FOODS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**19. Deferred taxation**

	2016 £
At beginning of year	(90,101)
Charged to the profit or loss	(20,220)
<b>At end of year</b>	<b><u>(110,321)</u></b>

The provision for deferred taxation is made up as follows:

	2016 £
Accelerated capital allowances	(110,321)
	<b><u>(110,321)</u></b>

**20. Share capital**

	2016 £	2015 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
1,876 Ordinary shares of £1 each	<u>1,876</u>	<u>1,876</u>

Each share is entitled to one vote in any circumstance.

**21. Reserves****Capital redemption reserve**

This reserve is a statutory, non-distributable reserve which amounts have been transferred into following the purchase back of the Company's own shares.

**Profit & loss account**

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

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**MARIGOLD HEALTH FOODS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**22. Pension commitments**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £62,895 (2015 - £60,423). Contributions totalling £nil (2015 - £nil) were payable to the fund at the Balance sheet date and are included in creditors.

**23. Commitments under operating leases**

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

	2016 £	2015 £
Not later than 1 year	257,488	188,824
Later than 1 year and not later than 5 years	343,317	600,805
<b>Total</b>	<b>600,805</b>	<b>789,629</b>

**24. Related party transactions**

Included in other creditors at the year end are amounts due to the Company's Director; P J Tobin of £61,719 (2015 - £70,940). The loan is interest free, unsecured and repayable on demand. Included in debtors at the year end are amounts due to the Company from Toyin Aluko of £22,833 (2015 - £26,903).

Marigold Health Foods Limited has made advanced payments to Rhythm Health Limited and at the year end the outstanding balance was £262,500 (2015 - £250,000), £24,000 (2015 - £nil) included within debtors due within one year and £238,500 (2015 - £250,000) included within debtors due after one year. The loan attracts interest at 5%, is unsecured and repayable monthly, with the final monthly repayment being on 1 March 2021. P J Tobin is a shareholder and Director of Rhythm Health Limited. The company also owes Rhythm Health Limited £6,577 (2015 - £14,538) included within trade creditors relating to purchases made by Marigold Health Foods Limited on an arms length basis.

**25. Controlling party**

The ultimate controlling party is P J Tobin.

**26. First time adoption of FRS 102**

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.