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**MARIGOLD HEALTH FOODS LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**



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**MARIGOLD HEALTH FOODS LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	O T Aluko P M Langsam P J Tobin
<b>Company secretary</b>	O T Aluko
<b>Registered number</b>	01300295
<b>Registered office</b>	The Coalface 46 Clifton Terrace London N4 3JP
<b>Independent auditor</b>	Nexia Smith & Williamson Statutory Auditor & Chartered Accountants 25 Moorgate London EC2R 6AY

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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 2021

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#### Introduction

The directors present their Strategic Report for the year ended 31 March 2021.

#### Principal activity

Our principal activity is the wholesale and marketing of our own Marigold brand of vegetarian and vegan bouillon powders and nutritional yeast flakes. These products are manufactured to our own recipes and packed by 3rd party companies.

#### Business review

The financial year started off with very strong sales (+60%) due to the impact of Covid-19 with the supermarkets stocking up as well as independent health foods shops doing the same through our wholesaler network. We were able to maintain very good stock availability to meet this demand. Towards the latter part of 2020, sales tapered off as panic buying stopped yet this still resulted in approximately +20% year on year growth compared with the brand sales of the previous year. Our small team were able to work both from home or in the office.

On the run up to the end of 2020, Brexit loomed and there was heightened uncertainty and confusion around the agreement between the UK and the EU. The deal was not reached until very late and the terms were not easy to grasp. We completed our fundamental preparations for continued trade such as obtaining company EORI numbers, registering on an EU database, Traces NT (Trade Control and Expert System) for organic goods movement, and confirming the commodity codes and countries of origin for all of our products. Furthermore, we created export invoices, added an EU address to our retail products and enlisted the assistance of our logistics partner in preparing customs export declarations for orders going to Europe.

Immediately post Brexit in January, 2021, sales began to decline versus the prior year. Although we were expecting Brexit to present extra administrative requirements, we soon realised there was a much more direct negative impact on sales and turnover went down by approximately 7% in the first quarter of 2021. Most of our direct EU export customers (approx. 10% of our turnover) stopped ordering and our larger UK based wholesalers, who sold the Marigold products to EU customers, decreased their orders with us and either stopped or limited their export to the EU for the time being. In addition to a significant amount of extra paperwork and time required to process orders, costs to ourselves and to our EU customers have very much increased. Customs paperwork and clearance have come with costs but even more significant are the tariffs levied on our goods as the countries of origin are mostly EU, and not UK, and subsequently incur between 8.5% and 11% duties. Subsequently, our products are more expensive to our EU customers. Thankfully, the costs of raw materials to us from the EU have not increased terribly however the costs of goods from the Far East have risen drastically, mostly to do with freight movement changes from Covid-19.

Underlying sales to our main supermarket, wholesaler and food manufacturing customers remain strong. We continue to operate in a healthy market of vegan and healthy food products. We've continued to invest in updating our product designs and website.

In February, 2021, we had a meaningful change of key members of the team as our Managing Director Patrick Tobin retired in his 70th year and ceased his active employment. Patrick remains a director in the company and is still a shareholder. He is succeeded in this role by Peter Langsam. The board would like to take this opportunity to Thank Patrick for his commitment and significant contribution to the Company over the years.

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## MARIGOLD HEALTH FOODS LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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#### Principal risks and uncertainties

Brexit still remains the main challenge for us, much more so than Covid-19. We do not expect an immediate bounce back to the level of export sales we previously had. We are working on ways to reduce costs to our customers which primarily involves the transfer of a portion of our manufacturing from the EU to the UK during the first half of the 2021 calendar year which should result in the removal of tariffs for those products. Another challenge to us, which we welcome, is the improvement of the recyclability of our packaging. Partially being driven by our larger supermarket customers, we have plans for packaging changes in 2021 to achieve greatly improved kerbside recyclability. This will, however, come with increased costs to us which we do not expect to be able to pass on. Accordingly, we are expecting an impact on our margins to achieve this environmental goal.

Lastly, we will be taking over our lease for the White Hart Lane warehouse site upon completion of re-construction which is planned for October, 2021. Therefore, we expect to resume incurring rent (and rates six months later) costs from that time until the break in our lease in June, 2023. We expect to have sufficient funds to cover this through savings and expected profits.

#### Financial key performance indicators

In this financial year, sales are based upon the Marigold brand only (plus another brand we sell) as the wider distribution business ceased after a fire at the end of September, 2019. Total turnover from continued operations increased from £7,112,000 to £9,192,317. The board remain positive for the outlook of the business, however the trading environment continues to be challenging.

#### Business risk

The key risks affecting the business have been summarised within our Strategic Report, with a close control over the operations of the business and with a positive outlook for future sales and opportunities the business continues on a strong footing. Our cash holding is adequate for planned events and contingencies.

#### Financial risk management

The Company's operations expose it to a variety of financial risks, namely changes in credit, liquidity and interest rate risk. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company by monitoring levels of debt finance and the related finance costs. The Company does not use derivative financial instruments to manage interest rate costs and, as such, no hedge accounting is applied.

Given the size of the Company, the directors have delegated to the Managing Director the responsibility of monitoring financial risk management. The policies set by the directors are implemented by the Company's finance department.

#### *Price risk*

The Company is exposed to price risk due to normal inflationary increases in the purchase price of the goods and services it purchases.

#### *Credit risk*

The Company's credit risk is primarily attributable to its trade debtors. The Company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually by the board.

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## MARIGOLD HEALTH FOODS LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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#### *Liquidity risk*

The Company has a strong cash balance which is maintained to ensure it has sufficient available funds for operations and planned expansions. The Company monitors its levels of working capital to ensure that it can meet its debt repayments as they fall due.

The Company's financial liabilities (none of which are derivative financial liabilities) comprise trade creditors and other creditors which are measured at amortised cost. The trade creditors are all payable within one year.

#### *Interest rate risk*

The Company had interest bearing assets comprising of other debtors which were repaid in the year, which earned interest at a fixed rate and cash and cash equivalents which earned interest at a variable rate. The Company has a policy of maintaining debt at fixed rates to ensure certainty of future interest cash flows. The directors will revisit the appropriateness of this policy should the Company's operations change in size or nature.

#### *Country-specific risk*

Some of our minor branded products come from countries that are going through either political or economic uncertainty, ie. Taiwan and Lebanon. However, these do not form a significant part of our product range but will be monitored on a regular basis.

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

*Patrick Tobin*

Patrick Tobin (Oct 18, 2021 12:54 GMT+1)

**P J Tobin**  
Director

Date: 18/10/2021

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## MARIGOLD HEALTH FOODS LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

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The directors present their report and the financial statements for the year ended 31 March 2021.

#### Results and dividends

The profit for the year, after taxation, amounted to £979,994 (2020: loss £909,567).

The directors declared and received an interim dividend of £119,035 (2020: £119,035) during the year.

#### Directors

The directors who served during the year were:

O T Aluko  
P M Langsam  
P J Tobin

#### Future developments

In addition to our plans of moving some of our manufacturing to the UK, we will be converting the few vegetarian products we have to vegan making us a 100% vegan company. We are also working to reduce or remove palm oil from our ingredients list. The Company continually innovates to meet new and upcoming trends, tastes and appetites and are working on the launch of new products in 2021/22.

#### Disclosure of information to auditor

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

- so far as 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.

This information is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

#### 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 and signed on its behalf.

*Patrick Tobin*

Patrick Tobin (Oct 18, 2021 12:54 GMT+1)

**P J Tobin**  
Director

Date: 18/10/2021

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## MARIGOLD HEALTH FOODS LIMITED

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### DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

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The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARIGOLD HEALTH FOODS LIMITED**

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**Opinion**

We have audited the financial statements of Marigold Health Foods Limited (the 'Company') for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows, the Analysis of Net Debt and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its profit 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.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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## MARIGOLD HEALTH FOODS LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARIGOLD HEALTH FOODS LIMITED (CONTINUED)

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#### Other information

The other information comprises the information included in the Annual Report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### 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 year 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.

#### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

#### Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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## MARIGOLD HEALTH FOODS LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARIGOLD HEALTH FOODS LIMITED (CONTINUED)

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#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the Company's legal and regulatory framework through enquiry of management of their understanding of the relevant laws and regulations, the Company's policies and procedures regarding compliance and how they identify, evaluate and rectify any instances of non-compliance. We also drew on our existing understanding of the Company's industry and regulation.

We understand the Company complies with requirements of the framework through:

- Updating operating procedures, manuals and internal controls as legal and regulatory requirements change;
- The directors' close involvement in the day-to-day running of the business, meaning that any litigation or claims would come to their attention directly; and
- The engagement of external experts to ensure ongoing tax compliance.

In the context of the audit, we have considered those laws and regulations which determine the form and content of the financial statements, which are central to the Company's ability to conduct business and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significance in the context of the Company:

- Compliance with regulatory requirements in respect of organic products and packaging in the UK;
- EU laws in relation to packaging and shipping protocols; and
- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations above:

- Discussions with senior management including consideration of known or suspected non-compliance with laws and regulations;
- Obtained and reviewed certificates confirming compliance with organic products and packaging regulations in the UK; and
- Obtained and reviewed certificates and supporting documentation confirming compliance with EU packaging and shipping protocols.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were with regard to the manipulation of the financial statements through manual journals and incorrect recognition of revenue. This was communicated to the other members of the engagement team who were not present at the discussion.

The procedures carried out to gain evidence in the above areas included:

- Testing of revenue transactions to underlying documentation; and
- Testing of manual journal entries, selected based on specific risk assessments applied based on the client processes and controls surrounding manual journals.

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**MARIGOLD HEALTH FOODS LIMITED**

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

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A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

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.

*Nexia Smith & Williamson*

Chetan Mistry (Senior Statutory Auditor)

for and on behalf of

**Nexia Smith & Williamson**

Statutory Auditor

Chartered Accountants

25 Moorgate

London

EC2R 6AY

Date: 19/10/2021

**MARIGOLD HEALTH FOODS LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Continuing operations 2021 £	Discontinued operations 2021 £	Total 2021 £	Continuing operations 2020 £	Discontinued operations 2020 £	Total 2020 £
Turnover	4	9,192,317	-	9,192,317	7,112,000	17,780,432	24,892,432
Cost of sales		(7,086,574)	-	(7,086,574)	(5,771,033)	(15,981,564)	(21,752,597)
<b>Gross profit</b>		<b>2,105,743</b>	<b>-</b>	<b>2,105,743</b>	<b>1,340,967</b>	<b>1,798,868</b>	<b>3,139,835</b>
Distribution costs		(170,777)	-	(170,777)	(146,019)	(1,971,620)	(2,117,639)
Administrative expenses		(730,934)	-	(730,934)	(446,365)	(2,360,829)	(2,807,194)
Exceptional items	5	(423)	-	(423)	-	(1,343,758)	(1,343,758)
Other operating income	6	-	-	-	-	2,103,873	2,103,873
<b>Operating profit/(loss)</b>	7	<b>1,203,609</b>	<b>-</b>	<b>1,203,609</b>	<b>748,583</b>	<b>(1,773,466)</b>	<b>(1,024,883)</b>
Interest receivable and similar income		13,930	-	13,930	2,927	11,706	14,633
<b>Profit/(loss) before tax</b>		<b>1,217,539</b>	<b>-</b>	<b>1,217,539</b>	<b>751,510</b>	<b>(1,761,760)</b>	<b>(1,010,250)</b>
Tax on profit/(loss)	11	(237,545)	-	(237,545)	100,683	-	100,683
<b>Profit/(loss) for the financial year</b>		<b>979,994</b>	<b>-</b>	<b>979,994</b>	<b>852,193</b>	<b>(1,761,760)</b>	<b>(909,567)</b>

There was no other comprehensive income for 2021 (2020: £Nil).

The notes on pages 15 to 30 form part of these financial statements.

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

**BALANCE SHEET**  
**AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	13	10,955	17,605
		<u>10,955</u>	<u>17,605</u>
<b>Current assets</b>			
Stocks	14	634,131	734,207
Debtors: amounts falling due after more than one year	15	49,766	228,447
Debtors: amounts falling due within one year	15	1,167,996	1,438,969
Cash at bank and in hand	16	1,662,419	5,093,502
		<u>3,514,312</u>	<u>7,495,125</u>
Creditors: amounts falling due within one year	17	(1,255,664)	(1,554,210)
<b>Net current assets</b>		2,258,648	5,940,915
<b>Net assets</b>		<u>2,269,603</u>	<u>5,958,520</u>
<b>Capital and reserves</b>			
Called up share capital	19	600	1,876
Capital redemption reserve	20	3,276	1,876
Share option reserve	20	77,747	77,747
Profit and loss account	20	2,187,980	5,877,021
<b>Shareholders' funds</b>		<u>2,269,603</u>	<u>5,958,520</u>

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

*Patrick Tobin*

Patrick Tobin (Oct 18, 2021 12:54 GMT+1)

**P J Tobin**  
Director

Date: 18/10/2021

The notes on pages 15 to 30 form part of these financial statements.

**MARIGOLD HEALTH FOODS LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital £	Capital redemption reserve £	Share option reserve £	Profit and loss account £	Total equity £
<b>At 1 April 2019</b>	<b>1,876</b>	<b>1,876</b>	<b>77,747</b>	<b>6,905,623</b>	<b>6,987,122</b>
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(909,567)	(909,567)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(909,567)</b>	<b>(909,567)</b>
<b>Transactions with owners:</b>					
Dividends: Equity capital	-	-	-	(119,035)	(119,035)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(119,035)</b>	<b>(119,035)</b>
<b>At 1 April 2020</b>	<b>1,876</b>	<b>1,876</b>	<b>77,747</b>	<b>5,877,021</b>	<b>5,958,520</b>
<b>Comprehensive loss for the year</b>					
Profit for the year	-	-	-	979,994	979,994
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>979,994</b>	<b>979,994</b>
<b>Transactions with owners:</b>					
Dividends: Equity capital	-	-	-	(119,035)	(119,035)
Purchase of own shares	(1,400)	1,400	-	(4,550,000)	(4,550,000)
Shares issued during the year	124	-	-	-	124
<b>Total transactions with owners</b>	<b>(1,276)</b>	<b>1,400</b>	<b>-</b>	<b>(4,669,035)</b>	<b>(4,668,911)</b>
<b>At 31 March 2021</b>	<b>600</b>	<b>3,276</b>	<b>77,747</b>	<b>2,187,980</b>	<b>2,269,603</b>

**MARIGOLD HEALTH FOODS LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2021**

	2021 £	2020 £
<b>Cash flows from operating activities</b>		
Profit/(loss) for the financial year	979,994	(909,567)
<b>Adjustments for:</b>		
Depreciation of tangible assets	6,650	76,422
Impairments of fixed assets	-	940,082
Loss on disposal of tangible assets	-	2,304
Interest received	(13,930)	(14,633)
Taxation charge	237,545	(100,683)
Decrease in stocks	100,076	1,311,281
Decrease in debtors	448,442	2,708,528
Decrease in creditors	(521,581)	(2,678,034)
Corporation tax paid	(13,298)	(248,815)
<b>Net cash generated from operating activities</b>	<b>1,223,898</b>	<b>1,086,885</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	-	(48,332)
Interest received	13,930	14,633
<b>Net cash generated from/(used in) investing activities</b>	<b>13,930</b>	<b>(33,699)</b>
<b>Cash flows from financing activities</b>		
Shares issued in the year	124	-
Dividends paid	(119,035)	(119,035)
Share buy back	(4,550,000)	-
<b>Net cash used in financing activities</b>	<b>(4,668,911)</b>	<b>(119,035)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(3,431,083)</b>	<b>934,151</b>
Cash and cash equivalents at the beginning of the year	5,093,502	4,159,351
<b>Cash and cash equivalents at the end of the year</b>	<b>1,662,419</b>	<b>5,093,502</b>
<b>Cash and cash equivalents at the end of the year comprise:</b>		
Cash at bank and in hand	1,662,419	5,093,502



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**MARIGOLD HEALTH FOODS LIMITED**

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**ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 MARCH 2021**

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	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	5,093,502	(3,431,083)	1,662,419
Debt due within 1 year	(50,945)	(2,035)	(52,980)
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## MARIGOLD HEALTH FOODS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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#### 1. General information

Marigold Health Foods Limited is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 01300295). The registered office address is The Coalface, 46 Clifton Terrace, London, N4 3JP.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK 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 judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### 2.2 Going concern

The financial statements have been prepared on a going concern basis.

The directors have carefully reviewed the future prospects of the Company and its future cash flows, including an assessment of the potential on-going impact of the COVID-19 pandemic and Brexit. The business operates in a sector that continues to experience high level of demand, is a net beneficiary of the current COVID-19 impacted environment and has taken measures to adjust to trading post Brexit. Having assessed the forecasts and considered the wider industry factors, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future being at least the next 12 months from signing of these financial statements.

##### 2.3 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.

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## MARIGOLD HEALTH FOODS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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#### 2. Accounting policies (continued)

##### 2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

##### **Sale of goods**

Turnover 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 turnover 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.

##### 2.5 Operating leases: the Company as lessee

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

##### 2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

##### 2.7 Other operating income

Other operating income is recognised in profit or loss as the fair value of consideration received or receivable.

##### 2.8 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

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## MARIGOLD HEALTH FOODS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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#### 2. Accounting policies (continued)

##### 2.9 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.

Depreciation is provided on the following basis:

Motor vehicles	- Over 3 years
Fixtures & fittings	- Over 3 - 20 years

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 profit or loss.

##### 2.10 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

##### 2.11 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 out (FIFO) basis. The stock balance sheet value is based on a weighted average basis.

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.

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## MARIGOLD HEALTH FOODS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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#### 2. Accounting policies (continued)

##### 2.12 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 payment obligations.

The contributions are recognised as an expense in profit or loss 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.

##### 2.13 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 profit or loss 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 2021

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#### 2. Accounting policies (continued)

##### 2.14 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 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.

##### 2.15 Share-based payments

The Company has applied the requirements of FRS102 Section 26 'Share Based Payments'.

The Company issues equity-settled share-based payments to certain employees. Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period.

Fair value is measured by use of the Black Scholes pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behaviour considerations.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

##### 2.16 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.

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## MARIGOLD HEALTH FOODS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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#### 2. Accounting policies (continued)

##### 2.17 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 profit or loss 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 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.

#### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors consider that the following judgements and key sources of estimation uncertainty have had the most significant effect on amounts recognised in the financial statements:

##### *Bad debt provisions*

A trade debtors balance of £1,101,592 (2020: £1,314,538) 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 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.

##### *Stock provisions*

A stock balance of £634,131 (2020: £734,207) is recorded in the Company's Balance Sheet. Stocktakes are carried out on a regular basis, with provisions being made for damaged, slow moving or obsolete goods. Management ensure provisions are as accurate as possible, however, there remains a risk that the provision does not match the actual stock write off for damaged, slow moving or obsolete goods.

##### *Contingent liability*

As disclosed within note 24, the Company has a potential liability of between £754,413 and £683,465 relating to rental charges that will commence once the property is accessible and fit for occupation. The estimated rebuild date of October 2021 and November 2021 have been estimated by management when calculating the potential liability.

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**MARIGOLD HEALTH FOODS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**4. Turnover**

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

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	8,718,224	24,457,946
Republic of Ireland	218,045	237,149
Europe	172,126	104,446
Rest of the world	83,922	92,891
	<u>9,192,317</u>	<u>24,892,432</u>

**5. Exceptional items**

	2021 £	2020 £
Impairment of assets	-	939,246
Other fire expenses	423	404,512
	<u>423</u>	<u>1,343,758</u>

Impairment of assets related to the fixed assets destroyed in the warehouse fire in the prior year.

Other fire expenses relate to demolition costs, legal fees and other costs directly resulting from the warehouse fire in the prior year.

In the prior year, included within cost of sales was £2,042,120 relating to stock destroyed in the fire.

**6. Other operating income**

	2021 £	2020 £
Advertisement income	-	97,873
Rents receivable	-	6,000
Insurance claims receivable	-	2,000,000
	<u>-</u>	<u>2,103,873</u>



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**MARIGOLD HEALTH FOODS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**7. Operating profit/(loss)**

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

	2021 £	2020 £
Depreciation of tangible fixed assets	6,650	76,422
Exchange losses	787	9,814
Other operating lease rentals	23,415	325,568
Defined contribution pension cost	12,330	72,638
Stock impairment excluding those relating to the fire referred to in note 5	1,634	106,766
Bad debt expense	8,376	7,693
	<u>8,376</u>	<u>7,693</u>

**8. Auditor's remuneration**

	2021 £	2020 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	27,755	25,905
	<u>27,755</u>	<u>25,905</u>

**9. Employees**

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

	2021 £	2020 £
Wages and salaries	259,635	3,053,128
Social security costs	31,189	260,258
Cost of defined contribution scheme	7,756	72,638
	<u>298,580</u>	<u>3,386,024</u>

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

	2021 No.	2020 No.
Distribution and warehouse staff	-	61
Finance and administrative staff	4	16
Sales staff	-	9
	<u>4</u>	<u>86</u>

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MARIGOLD HEALTH FOODS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

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10. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	225,723	227,219
Company contributions to defined contribution pension schemes	5,689	5,702
	<u>231,412</u>	<u>232,921</u>

During the year retirement benefits were accruing to 2 directors (2020: 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £105,347 (2020: £107,528).

During the year, 2 (2020: 2) directors were granted a total interim dividend of £106,345 (2020: £106,345).

Key management are those persons who have authority and responsibility for planning, controlling and directing the activities of the Company. In the opinion of the directors, the Company's key management includes the director 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 £258,882 (2020: £260,703).

11. Taxation

	2021 £	2020 £
<b>Corporation tax</b>		
Current tax on profit/(loss) for the year	236,333	13,315
Adjustments in respect of previous periods	-	5
<b>Total current tax</b>	<u>236,333</u>	<u>13,320</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	1,212	(125,961)
Effect of tax rate change on opening balances	-	11,958
<b>Total deferred tax</b>	<u>1,212</u>	<u>(114,003)</u>
<b>Taxation on profit/(loss) on ordinary activities</b>	<u>237,545</u>	<u>(100,683)</u>

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MARIGOLD HEALTH FOODS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

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11. Taxation (continued)

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2020: *higher than*) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £	2020 £
Profit/(loss) on ordinary activities before tax	<u>1,217,539</u>	<u>(1,010,250)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	231,332	(191,948)
<b>Effects of:</b>		
Remeasurement of deferred tax for changes in tax rates	-	11,958
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	6,213	200,352
Capital allowances for year in excess of depreciation	-	(121,050)
Adjustments to tax charge in respect of prior periods	-	5
<b>Total tax charge for the year</b>	<u>237,545</u>	<u>(100,683)</u>

**Factors that may affect future tax charges**

The March 2021 Budget announced a further increase to the main rate of corporation tax to 25% from April 2023. This rate has not been substantively enacted at the balance sheet date, as a result deferred tax balances as at 31 March 2021 continue to be measured at 19%.

12. Dividends

	2021 £	2020 £
Interim dividends paid	<u>119,035</u>	<u>119,035</u>

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**MARIGOLD HEALTH FOODS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**13. Tangible fixed assets**

	Motor vehicles £	Fixtures & fittings £	Total £
<b>Cost</b>			
At 1 April 2020	5,875	20,586	26,461
At 31 March 2021	<u>5,875</u>	<u>20,586</u>	<u>26,461</u>
<b>Depreciation</b>			
At 1 April 2020	5,875	2,981	8,856
Charge for the year	-	6,650	6,650
At 31 March 2021	<u>5,875</u>	<u>9,631</u>	<u>15,506</u>
<b>Net book value</b>			
At 31 March 2021	<u>-</u>	<u>10,955</u>	<u>10,955</u>
At 31 March 2020	<u>-</u>	<u>17,605</u>	<u>17,605</u>

**14. Stocks**

	2021 £	2020 £
Finished goods and goods for resale	<u>634,131</u>	<u>734,207</u>

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MARIGOLD HEALTH FOODS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

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15. Debtors

	2021 £	2020 £
<b>Due after more than one year</b>		
Other debtors	49,766	228,447
	<u>49,766</u>	<u>228,447</u>
	2021 £	2020 £
<b>Due within one year</b>		
Trade debtors	1,101,592	1,314,538
Other debtors	23,212	64,910
Prepayments and accrued income	32,042	47,159
Deferred taxation	11,150	12,362
	<u>1,167,996</u>	<u>1,438,969</u>

16. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	1,662,419	5,093,502
	<u>1,662,419</u>	<u>5,093,502</u>

17. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	887,331	1,253,258
Corporation tax	236,350	13,315
Other taxation and social security	5,176	6,662
Other creditors	90,697	246,590
Accruals and deferred income	36,110	34,385
	<u>1,255,664</u>	<u>1,554,210</u>

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MARIGOLD HEALTH FOODS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

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18. Deferred taxation

	2021 £	2020 £
At beginning of year	(12,362)	101,641
Charged to profit or loss	1,212	(114,003)
<b>Deferred tax asset at end of year</b>	<b>(11,150)</b>	<b>(12,362)</b>

The deferred tax asset is made up as follows:

	2021 £	2020 £
Fixed asset timing differences	(11,130)	(12,362)
Short-term timing differences	(20)	-
	<b>(11,150)</b>	<b>(12,362)</b>

19. Called up share capital

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
176 (2020: 1,576) B shares of £1.00 each	176	1,576
200 (2020: 200) C shares of £1.00 each	200	200
224 (2020: 100) D shares of £1.00 each	224	100
	<b>600</b>	<b>1,876</b>

Each share is entitled to one vote in any circumstances and they all carry equal rights.

On 15 February 2021, 1,400 B Ordinary shares were repurchased for £4,550,000 by the Company and 124 D Ordinary shares were issued at par, £1.00 each.

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## MARIGOLD HEALTH FOODS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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#### 20. 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.

##### Share option reserve

This reserve relates to the accumulated cost of share option agreements to the Company.

##### Profit & loss account

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

#### 21. Share-based payments

The Company operates equity settled share-based payment schemes.

All options are granted over ordinary shares and have a 10-year exercise life and are exercisable at employees' discretion.

The fair value of awards granted under the scheme is estimated on the date of grant using the Black Scholes valuation model. If the options remain unexercised after a period of up to 10 years from the date of grant, the options expire. Options are forfeited if the employee leaves the Company before the options are exercised.

	Weighted average exercise price (pence) 2021	Number 2021	Weighted average exercise price (pence) 2020	Number 2020
Outstanding at the beginning of the year	887	256	887	256
Outstanding at the end of the year	<u>887</u>	<u>256</u>	<u>887</u>	<u>256</u>

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MARIGOLD HEALTH FOODS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

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21. Share-based payments (continued)

	2021 Black Scholes	2020 Black Scholes
Option pricing model used		
Weighted average share price (pence)	887	887
Exercise price (pence)	887	887
Weighted average contractual life (years)	10	10
Expected volatility	25	25
Expected dividend growth rate	0	0
Risk-free interest rate	1	1

The total value of the option was recognised in the year ended 31 March 2017 as the options can be exercised at the employees' discretion.

22. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £12,330 (2020: £72,638). Contributions totalling £109 (2020: £Nil) were payable to the fund at the reporting date.

23. Commitments under operating leases

At 31 March the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	5,630	2,760
Later than 1 year and not later than 5 years	1,195	-
	<u>6,825</u>	<u>2,760</u>

Due to the abatement clause within the operating lease, the rent charge was ceased as a result of the fire during the prior year and will not commence until the property is again accessible and fit for occupation. A contingent liability may exist in connection with the operating lease for the Company's premises and is disclosed within note 24.



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## MARIGOLD HEALTH FOODS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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#### 24. Contingent liabilities

During the prior year rental charges ceased on the Company's premises due to the fire that took place. Per the abatement clause, rental charges will commence once the property is accessible and fit for occupation. The current estimate of this is between October 2021 and November 2021. A potential liability of between £754,413 and £683,465 would arise between the October 2021 and November 2021 estimated rebuild date, respectively, and the earliest break clause. In the current COVID-19 impacted environment there are some uncertainties as to the timing and quantum of the amounts payable.

#### 25. Related party transactions

##### *Shareholder transactions*

On 15 February 2021, 1,400 B Ordinary shares were repurchased by the Company for cash consideration of £4,550,000 to a director. On the same day 124 D Ordinary shares were issued at par, £1.00 to a director for £Nil consideration.

##### *Transactions with directors*

Included in other creditors at the year end are amounts due to two directors of £41,305 and £4,225 (2020: £40,305 and £3,880). In addition to this there were amounts due to Pro Labore Dei, a shareholder of the Company, of £7,450 (2020: £6,760). In the year £117,000 (2020: £108,000) was repaid by the Company and £119,035 (2020: £106,345) was advanced by the Company. The loans are interest free, unsecured and repayable on demand.

In the year £Nil (2020: £6,177) was repaid by the director to the Company. The loan was unsecured, repayable on demand and interest is charge at HMRC official rate of interest. Included in other debtors at the year end are amounts due from a director of £Nil (2020: £Nil).

During the year, dividends of £100,000 and £6,345 (2020: £100,000 and £6,345) were paid to two directors of the Company. Another dividend of £12,690 was paid to Pro Labore Dei, a shareholder of the Company, in the year (2020: £12,690).

##### *Transactions with commonly owned entities*

During the year, repayments of £180,912 (2020: £23,000) were made by a company controlled by a director of the Marigold Health Foods Limited. The outstanding balance owed to Marigold Health Foods Limited at the year end was £Nil (2020: £180,912).

Interest receivable of £9,046 was received from the same company in the year (2020: £8,843). Sales of £Nil (2020: £10,579) and purchases of £Nil (2020: £193,596) were made with the same company during the year. Marigold Health Foods Limited is owed £Nil (2020: £Nil) at the year end.

#### 26. Controlling party

Up to 14 February 2021, the ultimate controlling party was P J Tobin, by virtue of their shareholding and directorship in the Company. From 15 February 2021, the directors do not consider there to be one ultimate controlling party.