
MARIGOLD HEALTH FOODS LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

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MARIGOLD HEALTH FOODS LIMITED

COMPANY INFORMATION

DIRECTOR	P J Tobin
REGISTERED NUMBER	01300295
REGISTERED OFFICE	Unit 2 550 White Hart Lane London N17 7BF
INDEPENDENT AUDITOR	Nexia Smith & Williamson Chartered Accountants & Statutory Auditors 25 Moorgate London EC2R 6AY
BANKERS	HSBC London W1U 6AX
SOLICITORS	Solomon Taylor & Shaw 3 Coach House Yard Hampstead High Street London NW3 1QD

MARIGOLD HEALTH FOODS LIMITED

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MARIGOLD HEALTH FOODS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2015

PRINCIPAL ACTIVITIES

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 4,500 lines of pre-packaged natural and organic food.

From our brand new warehouse in Tottenham we run a fleet of 15 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 independent chains who have all opened new stores recently. There are 2 more big store openings happening this coming autumn. We have seen our turnover grow by in the region of 3.5 million (14%). Our gross profit on sales was 17.8% against 17.3% last year. Although market has become more competitive and we have had to offer larger discounts, we have been able to negotiate better terms with suppliers.

Having settled in to our new premises and already are filling the space with new lines. Next year we will invest in new mezzanine space to help with our rate of growth. Night time deliveries are also becoming a feature of our service to our top clients.

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.

We are also launching a new design for our own label brands which are now starting to appear on the retailer's shelves. New supermarket listings are expected on the strength of this initiative.

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

As we continue to grow steadily in a buoyant market, we can only see grounds for optimism over the coming year.

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



P J Tobin
Director

Date: 25 08 2015

MARIGOLD HEALTH FOODS LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2015

The director presents his report and the financial statements for the year ended 31 March 2015.

DIRECTOR'S RESPONSIBILITIES STATEMENT

The director is responsible for preparing the Strategic report, the Director's 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently;
- make judgments 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;
- 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. He is 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

The profit for the year, after taxation, amounted to £470,532 (2014 - £461,704).

DIRECTOR

The director who served during the year was:

P J Tobin

DISCLOSURE OF INFORMATION TO AUDITOR

The director at the time when this Director's report is approved has confirmed that:

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

MARIGOLD HEALTH FOODS LIMITED

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2015**

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.

P J Tobin

P J Tobin
Director

Date: 25 08 2015

MARIGOLD HEALTH FOODS LIMITED

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

We have audited the financial statements of Marigold Health Foods Limited for the year ended 31 March 2015, which comprise the Profit and loss account, the Statement of total recognised gains and losses, the Balance sheet, the Cash flow statement and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITOR

As explained more fully in the Director's responsibilities statement, 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 Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2015 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.

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

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 director's 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

Stuart Quilter (Senior statutory auditor)

for and on behalf of

Nexia Smith & Williamson

Chartered Accountants & Statutory Auditor

25 Moorgate

London

EC2R 6AY

Date: *2 September 2015*

MARIGOLD HEALTH FOODS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	2015 £	2014 £
TURNOVER	1,2	28,295,238	24,796,656
Cost of sales		<u>(23,313,122)</u>	<u>(20,563,086)</u>
GROSS PROFIT		4,982,116	4,233,570
Distribution costs		(2,201,776)	(1,671,745)
Administrative expenses		(2,262,054)	(1,983,438)
Other operating income		<u>71,454</u>	<u>55,609</u>
OPERATING PROFIT	3	589,740	633,996
Interest receivable and similar income		9,071	6,307
Interest payable and similar charges	6	<u>(14)</u>	<u>(17,468)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		598,797	622,835
Tax on profit on ordinary activities	7	<u>(128,265)</u>	<u>(161,131)</u>
PROFIT FOR THE FINANCIAL YEAR	14	<u>470,532</u>	<u>461,704</u>

All amounts relate to continuing operations.

The notes on pages 10 to 17 form part of these financial statements.

MARIGOLD HEALTH FOODS LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2015**

	2015 £	2014 £
PROFIT FOR THE FINANCIAL YEAR	470,532	461,704
Corporation tax payable relating to revaluation	-	(930,234)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	470,532	(468,530)

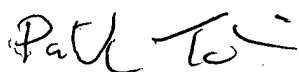
The notes on pages 10 to 17 form part of these financial statements.

MARIGOLD HEALTH FOODS LIMITED
REGISTERED NUMBER: 01300295

BALANCE SHEET
AS AT 31 MARCH 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	8		1,028,954		653,889
CURRENT ASSETS					
Stocks	9	1,293,279		1,192,663	
Debtors	10	3,488,015		4,162,482	
Cash at bank		3,418,165		3,469,250	
		<u>8,199,459</u>		<u>8,824,395</u>	
CREDITORS: amounts falling due within one year	11	<u>(2,775,861)</u>		<u>(3,425,180)</u>	
NET CURRENT ASSETS			<u>5,423,598</u>		<u>5,399,215</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,452,552</u>		<u>6,053,104</u>
PROVISIONS FOR LIABILITIES					
Deferred tax	12		<u>(90,101)</u>		<u>(61,185)</u>
NET ASSETS			<u><u>6,362,451</u></u>		<u><u>5,991,919</u></u>
CAPITAL AND RESERVES					
Called up share capital	13		1,876		1,876
Capital redemption reserve	14		1,876		1,876
Profit and loss account	14		<u>6,358,699</u>		<u>5,988,167</u>
SHAREHOLDERS' FUNDS	15		<u><u>6,362,451</u></u>		<u><u>5,991,919</u></u>

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



P J Tobin
Director

Date: 25 08 2015

The notes on pages 10 to 17 form part of these financial statements.

MARIGOLD HEALTH FOODS LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	2015 £	2014 £
Net cash flow from operating activities	17	1,533,911	214,262
Returns on investments and servicing of finance	18	9,057	(11,161)
Taxation		(1,035,250)	(231,337)
Capital expenditure and financial investment	18	(458,803)	2,990,783
Equity dividends paid		(100,000)	(100,000)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(51,085)	2,862,547
Financing	18	-	(543,230)
(DECREASE)/INCREASE IN CASH IN THE YEAR		(51,085)	2,319,317

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 MARCH 2015**

	2015 £	2014 £
(Decrease)/Increase in cash in the year	(51,085)	2,319,317
Cash outflow from decrease in debt and lease financing	-	543,230
MOVEMENT IN NET FUNDS IN THE YEAR	(51,085)	2,862,547
Net funds brought forward	3,469,250	606,703
NET FUNDS CARRIED FORWARD	3,418,165	3,469,250

The notes on pages 10 to 17 form part of these financial statements.

MARIGOLD HEALTH FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods supplied during the year, exclusive of Value Added Tax and trade discounts.

Revenue is recognised when goods are delivered.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

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

1.4 Operating leases

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

1.5 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

MARIGOLD HEALTH FOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

1. ACCOUNTING POLICIES (continued)

1.7 Foreign currencies

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

1.8 Pensions

The Company contributes to a group personal pension scheme. The assets of the scheme are held separately from those of the Company in independently administered funds. The Company's contributions to the scheme for the year are charged to the profit and loss account.

2. TURNOVER

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

All turnover arose within the United Kingdom.

3. OPERATING PROFIT

The operating profit is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the company	80,728	6,379
Auditor's remuneration	19,525	18,975
Operating lease rentals:		
- other operating leases	256,718	251,188
	<u>256,718</u>	<u>251,188</u>

4. STAFF COSTS

Staff costs, including director's remuneration, were as follows:

	2015 £	2014 £
Wages and salaries	1,769,694	1,470,170
Social security costs	655,368	572,332
Other pension costs	161,406	254,105
	<u>2,586,468</u>	<u>2,296,607</u>

MARIGOLD HEALTH FOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

4. STAFF COSTS (continued)

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

	2015 No.	2014 No.
	90	74

5. DIRECTOR'S REMUNERATION

	2015 £	2014 £
Remuneration	66,333	64,083
Company pension contributions to defined contribution pension schemes	80,000	180,000

During the year retirement benefits were accruing to 1 director (2014 - 1) in respect of defined contribution pension schemes.

6. INTEREST PAYABLE

	2015 £	2014 £
On bank loans and overdrafts	14	17,468

7. TAXATION

	2015 £	2014 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	99,225	104,892
Adjustments in respect of prior periods	124	839
Total current tax	99,349	105,731
Deferred tax (see note 12)		
Origination and reversal of timing differences	28,916	55,400
Tax on profit on ordinary activities	128,265	161,131

MARIGOLD HEALTH FOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

7. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 21% (2014 - 23%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>598,797</u>	<u>622,835</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2014 - 23%)	125,747	143,252
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	1,574
Capital allowances for year in excess of depreciation	(19,636)	(39,934)
Adjustments to tax charge in respect of prior periods	124	839
Short term timing difference leading to an increase (decrease) in taxation	(4,348)	-
Marginal relief	(2,538)	-
Current tax charge for the year (see note above)	<u><u>99,349</u></u>	<u><u>105,731</u></u>

8. TANGIBLE FIXED ASSETS

	Leasehold improve- ments £	Motor vehicles £	Fixtures & fittings £	Total £
Cost				
At 1 April 2014	641,611	26,140	101,654	769,405
Additions	335,985	-	122,818	458,803
Disposals	-	(26,140)	(6,049)	(32,189)
At 31 March 2015	<u>977,596</u>	<u>-</u>	<u>218,423</u>	<u>1,196,019</u>
Depreciation				
At 1 April 2014	-	24,040	91,476	115,516
Charge for the year	63,049	-	17,679	80,728
On disposals	-	(24,040)	(5,139)	(29,179)
At 31 March 2015	<u>63,049</u>	<u>-</u>	<u>104,016</u>	<u>167,065</u>
Net book value				
At 31 March 2015	<u><u>914,547</u></u>	<u><u>-</u></u>	<u><u>114,407</u></u>	<u><u>1,028,954</u></u>
At 31 March 2014	<u><u>641,611</u></u>	<u><u>2,100</u></u>	<u><u>10,178</u></u>	<u><u>653,889</u></u>

MARIGOLD HEALTH FOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

9. STOCKS

	2015 £	2014 £
Finished goods and goods for resale	<u>1,293,279</u>	<u>1,192,663</u>

10. DEBTORS

	2015 £	2014 £
Due after more than one year		
Other debtors	301,367	51,845
Due within one year		
Trade debtors	3,011,212	2,481,860
Other debtors	79,685	1,490,190
Prepayments and accrued income	95,751	138,587
	<u>3,488,015</u>	<u>4,162,482</u>

Included within other debtors due after more than one year is a loan to Rhythm Health Limited of £250,000, see note 21.

**11. CREDITORS:
Amounts falling due within one year**

	2015 £	2014 £
Trade creditors	2,523,642	2,122,854
Corporation tax	99,225	1,035,126
Other taxation and social security	58,994	54,451
Other creditors	70,940	44,707
Accruals and deferred income	23,060	168,042
	<u>2,775,861</u>	<u>3,425,180</u>

12. DEFERRED TAXATION

	2015 £	2014 £
At beginning of year	61,185	5,785
Charge for year	28,916	55,400
	<u>90,101</u>	<u>61,185</u>

MARIGOLD HEALTH FOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

12. DEFERRED TAXATION (continued)

The provision for deferred taxation comprises as follows:

	2015 £	2014 £
Accelerated capital allowances	<u>90,101</u>	<u>61,185</u>

13. SHARE CAPITAL

	2015 £	2014 £
Allotted, called up and fully paid		
1,876 Ordinary shares of £1 each	<u>1,876</u>	<u>1,876</u>

14. RESERVES

	Capital redempt'n reserve £	Profit and loss account £
At 1 April 2014	1,876	5,988,167
Profit for the financial year	-	470,532
Dividends: Equity capital	-	(100,000)
	<u>1,876</u>	<u>6,358,699</u>
At 31 March 2015		

15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2015 £	2014 £
Opening shareholders' funds	5,991,919	6,560,449
Profit for the financial year	470,532	461,704
Dividends (Note 16)	(100,000)	(100,000)
Other recognised gains and losses during the year	-	(930,234)
	<u>6,362,451</u>	<u>5,991,919</u>
Closing shareholders' funds		

MARIGOLD HEALTH FOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

16. DIVIDENDS

	2015 £	2014 £
Dividends paid on equity capital	<u>100,000</u>	<u>100,000</u>

17. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Operating profit	589,740	633,996
Depreciation of tangible fixed assets	80,728	6,379
Loss on disposal of tangible fixed assets	3,010	117,484
Increase in stocks	(100,616)	(262,017)
Decrease/(increase) in debtors	362,036	(481,658)
Increase in creditors	599,013	200,078
Net cash inflow from operating activities	<u><u>1,533,911</u></u>	<u><u>214,262</u></u>

18. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	9,071	6,307
Interest paid	(14)	(17,468)
Net cash inflow/(outflow) from returns on investments and servicing of finance	<u><u>9,057</u></u>	<u><u>(11,161)</u></u>

	2015 £	2014 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(458,803)	(645,496)
Sale of tangible fixed assets	-	3,886,885
Loan to related company	-	(250,606)
Net cash (outflow)/inflow from capital expenditure	<u><u>(458,803)</u></u>	<u><u>2,990,783</u></u>

	2015 £	2014 £
Financing		
Repayment of loans	<u><u>-</u></u>	<u><u>(543,230)</u></u>

MARIGOLD HEALTH FOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

19. ANALYSIS OF CHANGES IN NET FUNDS

	1 April 2014 £	Cash flow £	31 March 2015 £
Cash at bank and in hand	3,469,250	(51,085)	3,418,165
Net funds	<u>3,469,250</u>	<u>(51,085)</u>	<u>3,418,165</u>

20. OPERATING LEASE COMMITMENTS

At 31 March 2015 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2015 £	2014 £
Expiry date:		
Between 2 and 5 years	-	100,000
After more than 5 years	<u>192,258</u>	<u>192,258</u>

21. RELATED PARTY TRANSACTIONS

Included in other creditors at the year end are amounts due to the Company's director; P J Tobin of £70,940 (2014 - £44,706).

Marigold Health Foods Limited also made an advanced payment of £250,000 to Rhythm Health Limited during the prior year which remains outstanding. P J Tobin is a shareholder and director of Rhythm Health Limited. The company also owes Rhythm Health Limited £14,538 for goods acquired during the year.

22. CONTROLLING PARTY

The ultimate controlling party is P J Tobin.