

MARIGOLD HEALTH FOODS LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

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MARIGOLD HEALTH FOODS LIMITED

COMPANY INFORMATION

DIRECTOR	PJ Tobin
COMPANY NUMBER	1300295
REGISTERED OFFICE	102 Camley Street London NW1 0PF
AUDITORS	Nexia Smith & Williamson Chartered Accountants & Registered Auditors 25 Moorgate London EC2R 6AY
ACCOUNTANTS	Smith & Williamson 25 Moorgate London EC2R 6AY
BANKERS	Bank of Scotland 14/16 Cockspur Street London SW1Y 5BL
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

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2011

The Director presents his report and the financial statements for the year ended 31 March 2011

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The Director is responsible for preparing 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 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.

PRINCIPAL ACTIVITIES

The Company's principal activity 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.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £428,682 (2010 - £398,621).

The total distribution of dividends for the year has been £nil (2010 - £150,000). The director does not recommend payment of a final dividend.

DIRECTOR

The Director who served during the year was

PJ Tobin

MARIGOLD HEALTH FOODS LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2011

CHARITABLE CONTRIBUTIONS

During the year the Company made charitable donations amounting to £387 (2010 - £388)

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 Director has not delegated the responsibility of monitoring financial risk management. The policies set by the Director 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 in the UK.

Currency risk

The Company is exposed to foreign currency exchange rate risk as a result of trade creditors which will be settled in Euros, Australian dollars and US dollars. During the year the Company did not enter into any arrangements to hedge this risk, as the director did not consider the exposure to be significant given the short term nature of the balances.

Credit risk

The Company has implemented policies that require appropriate credit checks on prospective customers before credit sales are made.

Liquidity risk

The Company actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the Company has available sufficient funds for operations and planned expansions.

Interest rate risk

The Company has both interest bearing assets and liabilities. Interest bearing assets consist of cash balances which earn interest at a variable rate depending on the Bank base rate and Staff Loans, which earn interest at the beneficial loan rate. Interest bearing liabilities consist solely of a bank loan, which is secured. The Director will revisit the appropriateness of this policy should the Company's operations change in size or nature.

KEY PERFORMANCE INDICATORS

The director and the management use a number of key performance indicators to monitor and appraise the trading and performance of the business. The main key performance indicators are as follows:

	2011	2010
	£	£
Turnover	18,092,795	17,559,260
Gross Profit Percentage	17.7%	18.8%

MARIGOLD HEALTH FOODS LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2011

FUTURE DEVELOPMENTS & THE ENVIRONMENT

The Company seeks to build upon the progress so far made towards promoting social and environmental activities as Company policy

Some good quality food approaching sell by date is donated to charities. We also donate very substantial quantities of used office paper for recycling and purchase the reconstituted paper for office use similarly with cartridges. We are planning a review of power and water use aiming to effect economies.

PROVISION OF INFORMATION TO AUDITORS

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

- so far as that Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information


AUDITORS

Under section 487(2) of the Companies Act 2006, Nexia Smith & Williamson will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on

04/08/11

and signed on its behalf



PJ Tobin
Director

MARIGOLD HEALTH FOODS LIMITED

INDEPENDENT AUDITORS' 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 2011, set out on pages 6 to 20. 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 Auditors' 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 AUDITORS

As explained more fully in the Statement of Director's responsibilities, 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 Auditing Practices Board'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 Auditing Practices Board's website at www.frc.org.uk/apb/scope/private.cfm.

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 2011 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 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 AUDITORS' 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 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

Registered Auditors

25 Moorgate

London

EC2R 6AY

Date *13 August 2011.*

MARIGOLD HEALTH FOODS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2011**

	Note	2011 £	2010 £
TURNOVER	1,2	18,092,793	17,559,260
Cost of sales		<u>(14,884,429)</u>	<u>(14,253,222)</u>
GROSS PROFIT		3,208,364	3,306,038
Distribution costs		<u>(1,484,425)</u>	<u>(1,442,524)</u>
Administrative expenses		<u>(1,099,489)</u>	<u>(1,293,048)</u>
OPERATING PROFIT	3	624,450	570,466
Interest receivable and similar income	6	2,989	4,085
Interest payable and similar charges	7	<u>(46,771)</u>	<u>(3,192)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		580,668	571,359
Tax on profit on ordinary activities	8	<u>(151,986)</u>	<u>(172,738)</u>
PROFIT FOR THE FINANCIAL YEAR	16	<u>428,682</u>	<u>398,621</u>

All amounts relate to continuing operations

The notes on pages 10 to 20 form part of these financial statements

MARIGOLD HEALTH FOODS LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2011**

	2011	2010
	£	£
PROFIT FOR THE FINANCIAL YEAR	428,682	398,621
Unrealised surplus/(deficit) on revaluation of tangible fixed assets	-	(267,450)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	428,682	131,171

**NOTE OF HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2011**

	2011	2010
	£	£
REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	580,668	571,359
Realisation of valuation gains of previous periods	9,372	-
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	590,040	571,359
HISTORICAL PROFIT FOR THE YEAR AFTER TAXATION	438,054	398,621

The notes on pages 10 to 20 form part of these financial statements

MARIGOLD HEALTH FOODS LIMITED
REGISTERED NUMBER: 1300295

BALANCE SHEET
AS AT 31 MARCH 2011

	Note	£	2011 £	£	2010 £
FIXED ASSETS					
Tangible assets	9		1,310,335		1,365,219
CURRENT ASSETS					
Stocks	10	805,494		946,451	
Debtors	11	2,107,375		2,062,101	
Cash at bank and in hand		446,513		367,373	
		<u>3,359,382</u>		<u>3,375,925</u>	
CREDITORS: amounts falling due within one year	12	<u>(2,289,717)</u>		<u>(3,484,351)</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>1,069,665</u>		<u>(108,426)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,380,000</u>		<u>1,256,793</u>
CREDITORS: amounts falling due after more than one year	13		(700,000)		-
PROVISIONS FOR LIABILITIES					
Deferred tax	14		(13,614)		(19,089)
NET ASSETS			<u><u>1,666,386</u></u>		<u><u>1,237,704</u></u>
CAPITAL AND RESERVES					
Called up share capital	15		1,876		1,876
Capital redemption reserve	16		1,876		1,876
Revaluation reserve	16		657,972		667,344
Profit and loss account	16		<u>1,004,662</u>		<u>566,608</u>
SHAREHOLDERS' FUNDS	17		<u><u>1,666,386</u></u>		<u><u>1,237,704</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 04/08/11

PJ Tobin

PJ Tobin
Director

The notes on pages 10 to 20 form part of these financial statements

MARIGOLD HEALTH FOODS LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2011**

	Note	2011 £	2010 £
Net cash flow from operating activities	19	281,711	1,350,820
Returns on investments and servicing of finance	20	(43,782)	893
Taxation		(181,019)	(255,805)
Capital expenditure and financial investment	20	(6,791)	(14,221)
Equity dividends paid		-	(150,000)
CASH INFLOW BEFORE FINANCING		50,119	931,687
Financing	20	29,021	(1,654,021)
INCREASE/(DECREASE) IN CASH IN THE YEAR		79,140	(722,334)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 MARCH 2011**

	2011 £	2010 £
Increase/(Decrease) in cash in the year	79,140	(722,334)
Cash outflow from increase in debt and lease financing	(29,021)	(845,979)
MOVEMENT IN NET DEBT IN THE YEAR	50,119	(1,568,313)
Net (debt)/funds at 1 April 2010	(478,606)	1,089,707
NET DEBT AT 31 MARCH 2011	(428,487)	(478,606)

The notes on pages 10 to 20 form part of these financial statements

MARIGOLD HEALTH FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of Leasehold Property and include the results of the Company's operations which are described in the Director's Report and all of which are continuing

1.2 Turnover

Turnover comprises the value of goods and services supplied by the Company during the year, exclusive of Value Added Tax

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Long Term Leasehold Property	-	Over the term of the lease
Trade Vehicles	-	Straight line over 6 years
Fixtures & Equipment	-	Straight line over estimated life at variable rates

1.4 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at the balance sheet date. A full valuation is obtained from a qualified valuer for each property every five years, with an interim valuation three years after the previous full valuation, and in any year where it is likely that there has been a material change in value

Revaluation gains and losses are recognised in the statement of total recognised gains and losses unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the Profit and loss account

1.5 Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used

1.6 Stocks

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

MARIGOLD HEALTH FOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

1 ACCOUNTING POLICIES (continued)

1.7 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

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements

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

1.8 Foreign currencies

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit

1.9 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

MARIGOLD HEALTH FOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

3 OPERATING PROFIT

The operating profit is stated after charging

	2011 £	2010 £
Depreciation of tangible fixed assets		
- owned by the company	61,782	75,793
Auditors' remuneration	17,225	16,000
Auditors' remuneration - non-audit	2,400	37,900
Operating lease rentals		
- other operating leases	286,601	253,885
Directors emoluments	56,326	55,668
	<u> </u>	<u> </u>

4. STAFF COSTS

Staff costs, including Director's remuneration, were as follows

	2011 £	2010 £
Wages and salaries	1,417,351	1,387,827
Social security costs	139,153	136,471
Other pension costs	52,533	51,387
	<u> </u>	<u> </u>
	1,609,037	1,575,685
	<u> </u>	<u> </u>

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

	2011 No	2010 No
	54	53
	<u> </u>	<u> </u>

5 DIRECTOR'S REMUNERATION

	2011 £	2010 £
Emoluments	56,326	55,668
	<u> </u>	<u> </u>

MARIGOLD HEALTH FOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

6 INTEREST RECEIVABLE

	2011 £	2010 £
Staff loans	2,780	2,751
Bank interest receivable	209	1,334
	<u>2,989</u>	<u>4,085</u>

7. INTEREST PAYABLE

	2011 £	2010 £
On bank loans and overdrafts	<u>46,771</u>	<u>3,192</u>

8. TAXATION

	2011 £	2010 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	157,619	181,177
Adjustments in respect of prior periods	(158)	(2,345)
Total current tax	<u>157,461</u>	<u>178,832</u>
Deferred tax (see note 14)		
Transfer to deferred taxation	(5,475)	(6,094)
Tax on profit on ordinary activities	<u>151,986</u>	<u>172,738</u>

MARIGOLD HEALTH FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

8. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2010 - lower than) the standard rate of corporation tax in the UK of 28% (2010 - 28%) The differences are explained below

	2011 £	2010 £
Profit on ordinary activities before tax	580,668	571,359
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2010 - 28%)	162,587	159,981
Effects of		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	4,991	29,150
Capital allowances for year in excess of depreciation	5,316	8,327
Marginal relief	(15,275)	(14,047)
Other short term timing differences	-	(2,234)
Adjustments to tax charge in respect of prior periods	(158)	(2,345)
Current tax charge for the year (see note above)	157,461	178,832

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MARIGOLD HEALTH FOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

9 TANGIBLE FIXED ASSETS

	Long Term Leasehold Property £	Motor vehicles £	Fixtures & fittings £	Total £
Cost or valuation				
At 1 April 2010	1,250,000	259,616	166,947	1,676,563
Additions	-	-	7,391	7,391
Disposals	-	(51,000)	(8,671)	(59,671)
At 31 March 2011	1,250,000	208,616	165,667	1,624,283
Depreciation				
At 1 April 2010	-	186,255	125,089	311,344
Charge for the year	16,010	30,101	15,671	61,782
On disposals	-	(51,000)	(8,178)	(59,178)
At 31 March 2011	16,010	165,356	132,582	313,948
Net book value				
At 31 March 2011	1,233,990	43,260	33,085	1,310,335
At 31 March 2010	1,250,000	73,361	41,858	1,365,219

Cost or valuation at 31 March 2011 is as follows

	Land and buildings £
At cost	-
At valuation	
23 June 2010 at an open market value basis	1,250,000
	<u>1,250,000</u>

The Company's Leasehold Property was valued on 23 June 2010 by CB Richard Ellis Limited on an open market value basis. In the opinion of the Director, the carrying value of the leasehold property at 31 March 2011 is approximately equal to its market value.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows

	2011 £	2010 £
Cost	652,442	652,442
Accumulated depreciation	(90,631)	(83,993)
Net book value	<u>561,811</u>	<u>568,449</u>

MARIGOLD HEALTH FOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

10 STOCKS

	2011 £	2010 £
Finished goods and goods for resale	<u>805,494</u>	<u>946,451</u>

11 DEBTORS

	2011 £	2010 £
Due after more than one year		
Other debtors	36,179	40,527
Due within one year		
Trade debtors	1,823,899	1,832,454
Other debtors	188,679	102,943
Prepayments and accrued income	58,618	86,177
	<u>2,107,375</u>	<u>2,062,101</u>

12 CREDITORS:

Amounts falling due within one year

	2011 £	2010 £
Bank loans and overdrafts	175,000	845,979
Trade creditors	1,597,745	2,227,885
Corporation tax	157,619	181,177
Social security and other taxes	35,450	34,350
Other creditors	283,130	171,243
Accruals and deferred income	40,773	23,717
	<u>2,289,717</u>	<u>3,484,351</u>

13 CREDITORS:

Amounts falling due after more than one year

	2011 £	2010 £
Bank loans	<u>700,000</u>	<u>-</u>

The bank loan is secured

MARIGOLD HEALTH FOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

14 DEFERRED TAXATION

	2011 £	2010 £
At beginning of year	19,089	25,183
Released during year	(5,475)	(6,094)
	<u>13,614</u>	<u>19,089</u>
At end of year	<u>13,614</u>	<u>19,089</u>

The provision for deferred taxation is made up as follows

	2011 £	2010 £
Accelerated capital allowances	(13,614)	(19,089)
	<u>(13,614)</u>	<u>(19,089)</u>

15 SHARE CAPITAL

	2011 £	2010 £
Allotted, called up and fully paid		
1,876 'B' ordinary shares shares of £1 each	1,876	1,876
	<u>1,876</u>	<u>1,876</u>

16 RESERVES

	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £
At 1 April 2010		667,344	566,608
Profit for the year			428,682
Premium on shares issued during the year	1,876		
Transfer between revaluation reserve and profit and loss account		(9,372)	
Transfer between revaluation reserve and profit and loss account		-	9,372
	<u>1,876</u>	<u>657,972</u>	<u>1,004,662</u>
At 31 March 2011	<u>1,876</u>	<u>657,972</u>	<u>1,004,662</u>

MARIGOLD HEALTH FOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Opening shareholders' funds	1,237,704	3,756,533
Profit for the year	428,682	398,621
Dividends (Note 18)	-	(150,000)
Shares redeemed/cancelled during the year	-	(2,501,876)
Transfer to capital redemption reserve	-	1,876
Other recognised gains and losses during the year	-	(267,450)
Closing shareholders' funds	<u>1,666,386</u>	<u>1,237,704</u>

18. DIVIDENDS

	2011 £	2010 £
Dividends paid on equity capital	-	150,000

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	2011 £	2010 £
Operating profit	624,450	570,466
Depreciation of tangible fixed assets	61,782	75,793
(Profit)/loss on disposal of tangible fixed assets	(107)	7,898
Decrease/(increase) in stocks	140,957	(242,238)
(Increase)/decrease in debtors	(45,274)	167,037
(Decrease)/increase in creditors	(500,097)	771,864
Net cash inflow from operating activities	<u>281,711</u>	<u>1,350,820</u>

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

	2011 £	2010 £
Returns on investments and servicing of finance		
Interest received	2,989	4,085
Interest paid	(46,771)	(3,192)
Net cash (outflow)/inflow from returns on investments and servicing of finance	<u>(43,782)</u>	<u>893</u>

MARIGOLD HEALTH FOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

**20 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT
(continued)**

	2011 £	2010 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(7,391)	(14,221)
Sale of tangible fixed assets	600	-
Net cash outflow from capital expenditure	<u>(6,791)</u>	<u>(14,221)</u>
	2011 £	2010 £
Financing		
Purchase of ordinary shares	-	(2,500,000)
New secured loans	875,000	845,979
Repayment of loans	(845,979)	-
Net cash inflow/(outflow) from financing	<u>29,021</u>	<u>(1,654,021)</u>

21. ANALYSIS OF CHANGES IN NET DEBT

	1 April 2010 £	Cash flow £	Other non-cash changes £	31 March 2011 £
Cash at bank and in hand	367,373	79,140	-	446,513
Debt				
Debts due within one year	(845,979)	(29,021)	700,000	(175,000)
Debts falling due after more than one year	-	-	(700,000)	(700,000)
Net debt	<u>(478,606)</u>	<u>50,119</u>	<u>-</u>	<u>(428,487)</u>

22. OPERATING LEASE COMMITMENTS

At 31 March 2011 the Company had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2011 £	2010 £
Expiry date.		
Within 1 year	130,000	100,000
After more than 5 years	21,000	21,000

MARIGOLD HEALTH FOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

23 RELATED PARTY TRANSACTIONS

Included in other creditors at the year end are amounts due to the company's director, PJ Tobin of £283,130 (2010 - £171,243)