

**MARIGOLD HEALTH FOODS LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH 2010**

TUESDAY



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## MARIGOLD HEALTH FOODS LIMITED

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### Company Information

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<b>Directors</b>	PJ Tobin
<b>Registered Number</b>	1300295 (England and Wales)
<b>Registered Office</b>	102 Camley Street London NW1 OPF
<b>Auditors</b>	Nexia Smith & Williamson Chartered Accountants Registered Auditors 25 Moorgate London EC2R 6AY
<b>Accountants</b>	Smith & Williamson Chartered Accountants 25 Moorgate London EC2R 6AY
<b>Solicitors</b>	Solomon Taylor & Shaw 3 Coach House Yard Hampstead High Street London NW3 1QD
<b>Bankers</b>	Bank of Scotland 14/16 Cockspur Street London SW1Y 5BL

## MARIGOLD HEALTH FOODS LIMITED

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## MARIGOLD HEALTH FOODS LIMITED

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### DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2010

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The Director presents his report and the financial statements for the year ended 31 March 2010

#### **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

#### **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, Swiss Franks 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 Directors' current accounts. The Director will revisit the appropriateness of this policy should the Company's operations change in size or nature.

## MARIGOLD HEALTH FOODS LIMITED

### DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2010

#### Results and Dividends

The profit for the year after taxation, amounted to £398,621 (2009 - £613,688)

Interim dividends per share were paid as follows

	Ordinary Shares	
	'A'	'B'
28 May 2009	£13 32622	£13 32622
17 September 2009	£13 32622	£13 32622
26 November 2009	£13 32622	£13 32622

The total distribution of dividends for the year has been £150,000 (2009 - £398,830) The Director does not recommend payment of a final dividend

#### 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

	2010 £	2009 £
Turnover	17,559,260	18,432,368
Gross profit percentage	18.8%	18.6%

#### 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

#### Charitable Donations

During the year the Company made charitable donations amounting to £388 (2009 - £387)

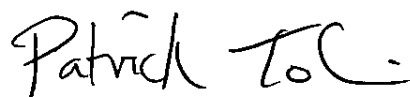
#### Auditors

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

#### Director

The director who served during the year was

PJ Tobin



## MARIGOLD HEALTH FOODS LIMITED

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### DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2010

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#### 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 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 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.

#### Provision of information to the 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

This report was approved by the Board on 10 / 11 / 2010 and signed on its behalf

P J Tobin  
Director



# MARIGOLD HEALTH FOODS LIMITED

## DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2010

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

We have audited the financial statements of Mangold Health Foods Limited for the year ended 31 March 2010 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses, and the related notes 1 to 21. 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 directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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 (APB'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 APB's website at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

#### 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 2010 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

Nexia Smith & Williamson -

Stephen Drew  
Senior Statutory Auditor, for and on behalf of  
Nexia Smith & Williamson  
Statutory Auditor  
Chartered Accountants

25 Moorgate  
London  
EC2R 6AY

19 November 2010

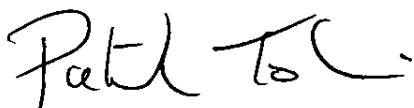
**MARIGOLD HEALTH FOODS LIMITED**

**BALANCE SHEET**  
as at 31 March 2010  
Registered Number 1300295

	Note	£	2010 £	£	2009 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	2		1,365,219		1,702,139
<b>CURRENT ASSETS</b>					
Stocks	3	946,451		704,213	
Debtors	4	2,062,101		2,229,138	
Cash at bank and in hand		<u>367,373</u>		<u>1,089,707</u>	
		3,375,925		4,023,058	
CREDITORS amounts falling due within one year	5	<u>(3,484,351)</u>		<u>(1,943,481)</u>	
<b>NET CURRENT ASSETS</b>			<u>(108,426)</u>		<u>2,079,577</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>1,256,793</b>		<b>3,781,716</b>
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred tax	6		<u>(19,089)</u>		<u>(25,183)</u>
<b>NET ASSETS</b>			<u><b>1,237,704</b></u>		<u><b>3,756,533</b></u>
<b>CAPITAL AND RESERVES</b>					
Issued share capital	7		1,876		3,752
Revaluation reserve	8		667,344		934,794
Capital redemption reserve	8		1,876		-
Retained Profit Reserve	8		<u>566,608</u>		<u>2,817,987</u>
<b>MEMBERS' FUNDS</b>	9		<u><b>1,237,704</b></u>		<u><b>3,756,533</b></u>

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

P J Tobin  
Director





**MARIGOLD HEALTH FOODS LIMITED**

**PROFIT AND LOSS ACCOUNT**  
**for the year ended 31 March 2010**

		<b>2010</b>	<b>2009</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
<b>TURNOVER</b>	1,11	<b>17,559,260</b>	<b>18,432,368</b>
Prime Cost of sales		<u><b>(14,253,222)</b></u>	<u><b>(14,986,185)</b></u>
<b>GROSS PROFIT</b>		<b>3,306,038</b>	<b>3,446,183</b>
Distribution expenses		<b>(1,442,524)</b>	<b>(1,496,024)</b>
Administrative expenses		<u><b>(1,293,048)</b></u>	<u><b>(1,127,360)</b></u>
<b>OPERATING PROFIT</b>	12	<b>570,466</b>	<b>822,799</b>
Interest receivable	15	<b>4,085</b>	<b>52,397</b>
Interest payable	16	<u><b>(3,192)</b></u>	<u><b>(3,832)</b></u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>571,359</b>	<b>871,364</b>
<b>TAXATION ON PROFIT ON ORDINARY ACTIVITIES</b>	17	<u><b>(172,738)</b></u>	<u><b>(257,682)</b></u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><u><b>398,621</b></u></u>	<u><u><b>613,682</b></u></u>

All amounts relate to continuing operations

The notes on pages 10 to 18 form part of these financial statements

There are no other recognised gains or losses for the period, other than the profit or loss

**MARIGOLD HEALTH FOODS LIMITED**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
for the year ended 31 March 2010

	Note	2010 £	2009 £
PROFIT FOR THE FINANCIAL YEAR		389,621	613,682
Unrealised deficit on revaluation of leasehold property		<u>(267,450)</u>	<u>-</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		<u><u>131,171</u></u>	<u><u>613,682</u></u>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**  
for the year ended 31 March 2010

	2010 £	2009 £
REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	571,359	871,364
Difference between a historical cost depreciation charge and actual depreciation charge for the year calculated on the revalued amount of the leasehold property	<u>-</u>	<u>9,883</u>
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<u><u>571,359</u></u>	<u><u>881,247</u></u>
HISTORICAL COST PROFIT FOR THE YEAR RETAINED AFTER TAXATION	<u><u>398,621</u></u>	<u><u>224,741</u></u>

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MARIGOLD HEALTH FOODS LIMITED

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**CASH FLOW STATEMENT**  
**For the year ended 31 March 2010**

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	Note	2010 £	2009 £
Net cash flow from operating activities	(Page 9)	1,350,820	490,762
Returns on investments and servicing of finance	18	893	48,565
Taxation		(255,805)	(389,871)
Capital expenditure and financial investment	18	(14,221)	(53,046)
Equity dividends paid		(150,000)	(398,830)
<b>CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>		<b>931,687</b>	<b>(302,420)</b>
Financing	18	(1,654,021)	-
<b>DECREASE IN CASH IN THE YEAR</b>		<b>(722,334)</b>	<b>(302,420)</b>

**MARIGOLD HEALTH FOODS LIMITED**

**CASH FLOW STATEMENT**  
For the year ended 31 March 2010

**NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Operating profit	570,466	822,799
Depreciation of tangible fixed assets	75,793	88,415
Loss on disposal of tangible fixed assets	7,898	2,659
Impairments of intangible fixed assets	-	14,105
(Increase)/decrease in stocks	(242,238)	6,321
Decrease/(increase) in debtors	167,037	(319,822)
Increase/(decrease) in creditors	771,864	(123,715)
	<u>1,350,820</u>	<u>490,762</u>
<b>NET CASH INFLOW FROM OPERATIONS</b>	<b><u>1,350,820</u></b>	<b><u>490,762</u></b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT**  
for the year ended 31 March 2010

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Decrease in cash in the year	(722,334)	(302,420)
Cash inflow from increase in debt and lease financing	<u>(845,979)</u>	<u>-</u>
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<b>(1,568,313)</b>	<b>(302,420)</b>
Net funds at 1 April 2009	<u>1,089,707</u>	<u>1,392,127</u>
<b>NET FUNDS AT 31 MARCH 2010</b>	<b><u>(478,606)</u></b>	<b><u>1,089,707</u></b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2010**

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**1 ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom

**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 Sales**

Sales comprise 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

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 Operating leases**

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread 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

**1.5 Stocks**

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

**1.6 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

**1.7 Deferred taxation**

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method only to the extent that, in the opinion of the Director, there is a reasonable probability that a liability or asset will crystallise in the near future. Any assets or liabilities recognised have not been discounted

**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

**MARIGOLD HEALTH FOODS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2010

**2 TANGIBLE FIXED ASSETS**

	Long Term Leasehold Land and Building £	Trade vehicles £	Furniture, fittings and equipment £	Total £
<b>Cost or valuation</b>				
At 1 April 2009	1,549,050	294,158	182,912	2,026,120
Additions	400	9,500	4,321	14,221
Disposals	-	(44,042)	(20,286)	(64,328)
Revaluation	(299,450)	-	-	(299,450)
	<u>1,250,000</u>	<u>259,616</u>	<u>166,947</u>	<u>1,676,563</u>
<b>At 31 March 2010</b>				
	<u>1,250,000</u>	<u>259,616</u>	<u>166,947</u>	<u>1,676,563</u>
<b>Depreciation</b>				
At 1 April 2009	16,153	186,012	121,815	323,980
Charge for the year	15,847	37,049	22,898	59,946
On disposals	-	(36,806)	(19,624)	(56,430)
Revaluation	(32,000)	-	-	(16,153)
	<u>-</u>	<u>186,255</u>	<u>125,089</u>	<u>311,344</u>
<b>At 31 March 2010</b>				
	<u>-</u>	<u>186,255</u>	<u>125,089</u>	<u>311,344</u>
<b>Net Book Value</b>				
At 31 March 2010	<u>1,250,000</u>	<u>73,361</u>	<u>41,858</u>	<u>1,365,219</u>
At 31 March 2009	<u>1,532,897</u>	<u>108,145</u>	<u>61,097</u>	<u>1,702,139</u>

Cost or valuation at 31 March 2010 is as follows

	Land and buildings £
<b>At Cost</b>	
31 March 2010	Nil
<b>At Valuation</b>	
31 March 2010	<u>1,250,000</u>
	<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 2010 is approximately equal to its market value.

**MARIGOLD HEALTH FOODS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2010**

**2 TANGIBLE FIXED ASSETS continued**

If the leasehold property had not been revalued it would have been included at the following historical cost

	<b>2010</b> <b>£</b>	<b>2009</b> <b>£</b>
Cost	<b>652,442</b>	<b>652,042</b>
Accumulated depreciation	<b>(83,993)</b>	<b>(68,146)</b>
Net book value	<b><u>568,449</u></b>	<b><u>583,896</u></b>

**3 STOCKS**

	<b>2010</b> <b>£</b>	<b>2009</b> <b>£</b>
Sellable goods	<b><u>946,451</u></b>	<b><u>704,213</u></b>

**4 DEBTORS**

	<b>2010</b> <b>£</b>	<b>2009</b> <b>£</b>
<b>Due after more than one year</b>		
Other debtors	<b>40,527</b>	-
<b>Due within one year</b>		
Trade debtors	<b>1,832,454</b>	<b>1,984,544</b>
Other debtors	<b>102,943</b>	<b>156,773</b>
Prepayments and accrued income	<b>86,177</b>	<b>87,821</b>
	<b><u>2,062,101</u></b>	<b><u>2,229,138</u></b>

**MARIGOLD HEALTH FOODS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2010

**5 CREDITORS**  
**AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2010 £	2009 £
Bank loans and overdrafts	845,979	-
Trade creditors	2,227,887	1,538,371
Corporation tax	181,177	258,150
Social security and other taxes	34,350	37,844
Other creditors	171,241	81,606
Accruals and deferred income	23,717	27,510
	<u>3,484,351</u>	<u>1,943,481</u>

**6 DEFERRED TAXATION**

	2010 £	2009 £
At 1 April 2009	25,183	25,651
(Credit) for the year	(6,094)	(468)
At 31 March 2010	<u>19,089</u>	<u>25,183</u>

The provision for deferred taxation is made up as follows

	2010 £	2009 £
Accelerated capital allowances	<u>19,089</u>	<u>25,183</u>

**7 SHARE CAPITAL**

	2010 £	2009 £
<b>Authorised</b>		
5,000 Ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>
<b>Allotted, called up and fully paid</b>		
1,876 'A' ordinary shares of £1 each	-	1,876
1,876 'B' ordinary shares of £1 each	1,876	1,876
	<u>1,876</u>	<u>3,752</u>

The 'A' and 'B' ordinary shares rank pari passu in all aspects excepting that the Director may declare a separate dividend in respect of each class of share



**MARIGOLD HEALTH FOODS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2010

**8 RESERVES**

	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £
At 1 April 2009	-	934,794	2,817,987
Profit for the year	-	-	398,621
Dividends Equity capital	-	-	(150,000)
Purchase of own shares	-	-	(2,500,000)
Revaluation	-	(267,450)	-
Transfer on purchase of own shares	1,876	-	-
At 31 March 2010	<u>1,876</u>	<u>667,344</u>	<u>566,608</u>

**9 RECONCILIATION OF MOVEMENT IN MEMBERS' FUNDS**

	2010 £	2009 £
Opening members' funds	3,756,533	3,541,681
Profit for the year	398,621	613,682
Dividends (Note 19)	(150,000)	(398,830)
Other recognised gains or losses	(267,450)	-
Share redeemed during year	<u>(2,500,000)</u>	<u>-</u>
Closing shareholders' funds	<u><u>1,237,704</u></u>	<u><u>3,756,533</u></u>

**10 DIVIDENDS**

	2010 £	2009 £
Dividends paid on equity capital	<u><u>150,000</u></u>	<u><u>398,830</u></u>

**11 SALES**

The whole of the sales 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

**MARIGOLD HEALTH FOODS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2010

**12 OPERATING PROFIT**

The operating profit is stated after charging

	2010 £	2009 £
Depreciation of tangible fixed assets		
- owned by the company	75,794	88,415
Audit fees	16,000	15,750
Non-audit services paid to a company associated to the auditors	37,900	49,817
- Other services relating to taxation		
- Services relating to corporate finance transactions		
- All other services		
Operating lease rentals		
- other	253,885	217,088
Director's remuneration	<u>50,000</u>	<u>42,925</u>

**13 STAFF COSTS**

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

	2010 £	2009 £
Salaries	1,387,827	1,459,217
Social security costs	136,471	143,898
Other pension costs	51,387	52,355
Total	<u>1,575,685</u>	<u>1,655,470</u>

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

	2010 £	2009 £
Average employees	<u>53</u>	<u>59</u>

**14 DIRECTORS' REMUNERATION**

	2010 £	2009 £
Aggregate emoluments	<u>55,668</u>	<u>42,925</u>

**MARIGOLD HEALTH FOODS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2010**

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**15 INTEREST RECEIVABLE**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Staff loans	<b>2,751</b>	<b>3,447</b>
Bank interest receivable	<b>1,334</b>	<b>48,950</b>
	<hr/>	<hr/>
	<b><u>4,085</u></b>	<b><u>52,397</u></b>

**16 INTEREST PAYABLE**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
On bank loans and overdrafts	<b>3,192</b>	<b>3,832</b>
	<hr/>	<hr/>

**MARIGOLD HEALTH FOODS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2010**

**17 TAXATION**

	2010 £	2009 £
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on profit for the year	181,177	258,150
Adjustments in respect of prior periods	<u>(2,345)</u>	
	<u>178,832</u>	<u>258,150</u>
<b>Deferred tax</b> (see note 6)		
Transfer to deferred taxation	<u>(6,094)</u>	<u>(468)</u>
<b>Tax on profit on ordinary activities</b>	<u><u>172,738</u></u>	<u><u>257,682</u></u>

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is lower than (2009 - *lower than*) the standard rate of corporation tax in the UK (28%). The differences are explained below

	2010 £	2009 £
Profit on ordinary activities before tax	<u><u>571,359</u></u>	<u><u>871,364</u></u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 - 28%)	159,981	243,983
<b>Effects of:</b>		
Expenses not deductible for tax purposes	29,150	23,220
Capital allowances for the year in excess of depreciation	8,327	468
Marginal relief	(14,048)	(9,521)
Other short term timing differences	(2,234)	-
Adjustment to tax charge in respect of prior periods	<u>(2,344)</u>	<u>-</u>
<b>Current tax charge for the year</b> (see note above)	<u><u>178,832</u></u>	<u><u>258,150</u></u>

**MARIGOLD HEALTH FOODS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2010

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

	2010 £	2009 £
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	4,085	52,397
Interest paid	(3,192)	(3,832)
	<u>893</u>	<u>48,565</u>
<b>NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
	2010 £	2009 £
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
Purchase of tangible fixed assets	(14,221)	(53,046)
	<u>(14,221)</u>	<u>(53,046)</u>
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>		
	2010 £	2009 £
<b>FINANCING</b>		
Purchase of ordinary shares	(2,500,000)	-
New secured loans	845,979	-
	<u>(1,654,021)</u>	<u>-</u>
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>		

**19 ANALYSIS OF CHANGES IN NET DEBT**

	1 April 2009 £	Cash flow £	Other non-cash changes £	31 March 2010 £
Cash at bank and in hand	1,089,707	(722,334)	-	367,373
<b>DEBT</b>				
Debts due within one year	-	(845,979)	-	(845,979)
<b>NET FUNDS</b>	<u>1,089,707</u>	<u>(1,568,313)</u>	<u>-</u>	<u>(478,606)</u>

## MARIGOLD HEALTH FOODS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2010

#### 20 OTHER COMMITMENTS

At 31 March 2010 the Company had an annual commitment under a non-cancellable operating lease as follows

	Leasehold Property	
	2010	2009
	£	£
<b>Expiry date.</b>		
In less than 1 year	100,000	60,000
In more than 5 years	<u>21,000</u>	<u>21,000</u>

#### 21 TRANSACTIONS WITH DIRECTORS

Included in other creditors at the year end are amounts due to company's director, amount due to PJ Tobin of £171,243 (2009 - £81,606)