

ND 2008

Director's report and financial statements

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Debtors	51	Defi	780	x
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			<u>1212</u>	

Natural Distribution (Holdings) Limited

Company information

Director V Hassett

Company secretary M Estienne

Company number 4930401

Registered office Unit E, Foster Road, Ashford Business Park,
Sevington
Ashford
Kent
TN24 0SH

Auditors Reeves+Neylan LLP
Chartered Accountants & Registered Auditors
37 St Margaret's Street
Canterbury
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Natural Distribution (Holdings) Limited

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Natural Distribution (Holdings) Limited

Director's report for the year ended 31 December 2008

The director presents her report and the financial statements for the year ended 31 December 2008.

Statement of director's responsibilities

The director is responsible for preparing the Annual 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). The financial statements are required by law to 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;
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable her to ensure that the financial statements comply with the Companies Act 1985. She 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 principal activity of the Company during the year was that of property rental and the provision of management services to group companies.

Business review

There is no significant change in the companies operations which remain the letting of a warehouse and provision of management services to group companies.

Results and dividends

The profit for the year, after taxation, amounted to £109,710 (2007 - £101,787).

During the year the company paid a dividend totalling £108,000 (2007: £99,000).

Director

The director who served during the year was:

V Hassett

Financial instruments

The company's main financial instruments comprise of bank loans and balances with group companies. The company manages the bank loans liquidity risks by ensuring there are sufficient funds to meet the payments. This is managed through the balances with group companies, with surplus funds being held by a wholly owned subsidiary. The company manages the bank loan price risk by reviewing the interest rate offered by competitive financial institutions.

Natural Distribution (Holdings) Limited

Director's report for the year ended 31 December 2008 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.

This report was approved by the board on 15 May 2009 and signed on its behalf.

M Estienne
Secretary

Natural Distribution (Holdings) Limited

Independent auditors' report to the shareholders of Natural Distribution (Holdings) Limited

We have audited the financial statements of Natural Distribution (Holdings) Limited for the year ended 31 December 2008, set out on pages 5 to 16. These financial statements have been prepared under the accounting policies set out therein .

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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

The director's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of director's responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Director's report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and other transactions is not disclosed.

We read the Director's report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Natural Distribution (Holdings) Limited

Independent auditors' report to the shareholders of Natural Distribution (Holdings) Limited

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Director's report is consistent with the financial statements.

Reeves+Neylan LLP

Chartered Accountants
Registered Auditors

Canterbury

15 May 2009

Natural Distribution (Holdings) Limited

Profit and loss account for the year ended 31 December 2008

	Note	2008 £	2007 £
Turnover	1	150,000	150,000
Administrative expenses		(134,290)	(175,875)
Other operating income	2	178,000	204,000
		<hr/>	<hr/>
Operating profit	3	193,710	178,125
Interest receivable		29	-
Interest payable	4	(57,301)	(65,655)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		136,438	112,470
Tax on profit on ordinary activities	6	(26,728)	(10,683)
		<hr/>	<hr/>
Profit for the financial year	13	109,710	101,787
		<hr/> <hr/>	<hr/> <hr/>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2008 or 2007 other than those included in the Profit and loss account.

The notes on pages 8 to 16 form part of these financial statements.

Natural Distribution (Holdings) Limited

Balance sheet as at 31 December 2008

	Note	£	2008 £	£	2007 £
Fixed assets					
Tangible fixed assets	7		1,155,343		1,155,343
Fixed asset investments	8		3,372		3,371
			<u>1,158,715</u>		<u>1,158,714</u>
Current assets					
Debtors	9	50,634		113,481	
Cash at bank		691		-	
		<u>51,325</u>		<u>113,481</u>	
Creditors: amounts falling due within one year	10	(183,238)		(158,567)	
Net current liabilities			(131,913)		(45,086)
Total assets less current liabilities			<u>1,026,802</u>		<u>1,113,628</u>
Creditors: amounts falling due after more than one year	11		(696,001)		(784,537)
Net assets			<u>330,801</u>		<u>329,091</u>
Capital and Reserves					
Called up share capital	12		10,000		10,000
Profit and loss account	13		320,801		319,091
Shareholders' funds	14		<u>330,801</u>		<u>329,091</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 May 2009.

V Hassett
Director

The notes on pages 8 to 16 form part of these financial statements.

Natural Distribution (Holdings) Limited

Cash flow statement for the year ended 31 December 2008

	Note	2008 £	2007 £
Net cash flow from operating activities	16	268,803	194,405
Returns on investments and servicing of finance	17	(57,272)	(65,655)
Taxation		(10,412)	(7,284)
Acquisitions and disposals	17	(1)	-
Equity dividends paid		(108,000)	(99,000)
Cash inflow before financing		93,118	22,466
Financing	17	(63,560)	(51,467)
Increase/(Decrease) in cash in the year		29,558	(29,001)

Reconciliation of net cash flow to movement in net funds/debt for the year ended 31 December 2008

	2008 £	2007 £
Increase/(Decrease) in cash in the year	29,558	(29,001)
Cash outflow from decrease in debt and lease financing	63,560	51,467
Movement in net debt in the year	93,118	22,466
Net debt at 1 January 2008	(870,932)	(893,398)
Net debt at 31 December 2008	(777,814)	(870,932)

The notes on pages 8 to 16 form part of these financial statements.

Natural Distribution (Holdings) Limited

Notes to the financial statements for the year ended 31 December 2008

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.

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Turnover

Turnover represents revenue due from the normal activities of the business to the extent that the company obtains a right to consideration in exchange for its performance of those activities, exclusive of VAT.

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.

No depreciation is provided on Freehold Property because in the opinion of the director any depreciation would be immaterial due to the high residual value of the property. An annual impairment review is undertaken to ensure that no impairment is required.

1.4 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

2. Other operating income

	2008 £	2007 £
Management charges received	<u>178,000</u>	<u>204,000</u>

3. Operating profit

The operating profit is stated after charging:

	2008 £	2007 £
Auditors' remuneration	2,950	2,800
Directors remuneration	<u>7,200</u>	<u>7,200</u>

Natural Distribution (Holdings) Limited

Notes to the financial statements for the year ended 31 December 2008

4. Interest payable

	2008 £	2007 £
On bank loans and overdrafts	1,233	1,164
Bank mortgage interest	56,068	64,491
	<u>57,301</u>	<u>65,655</u>

5. Staff costs

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

	2008 £	2007 £
Wages and salaries	111,779	150,922
Social security costs	10,941	13,563
	<u>122,720</u>	<u>164,485</u>

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

	2008 No.	2007 No.
Directors	1	1
Staff	4	4
	<u>5</u>	<u>5</u>

6. Taxation

	2008 £	2007 £
Analysis of tax charge in the year		
UK corporation tax charge on profit for the year	27,000	18,404
Adjustments in respect of prior periods	(272)	(7,721)
	<u>26,728</u>	<u>10,683</u>
Tax on profit on ordinary activities		

Natural Distribution (Holdings) Limited

Notes to the financial statements for the year ended 31 December 2008

6. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2007 - lower than) the standard rate of corporation tax in the UK (28.5%). The differences are explained below:

	2008 £	2007 £
Profit on ordinary activities before tax	136,438	112,470
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28.5% (2007 - 19.75%)	38,885	22,213
Effects of:		
Industrial Building Allowances	(4,464)	(3,809)
Effect of marginal rate relief	(7,421)	-
Adjustments to tax charge in respect of prior periods	(272)	(7,721)
Current tax charge for the year (see note above)	26,728	10,683

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

7. Tangible fixed assets

	Freehold Property £
Cost	
At 1 January 2008 and 31 December 2008	1,155,343
Depreciation	
At 1 January 2008 and 31 December 2008	-
Net book value	
At 31 December 2008	1,155,343
At 31 December 2007	1,155,343

Natural Distribution (Holdings) Limited

Notes to the financial statements for the year ended 31 December 2008

8. Fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 January 2008	3,371
Additions	1
	<hr/>
At 31 December 2008	3,372
	<hr/> <hr/>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name

Sante Verte Limited
Wisdom of Nature Limited
ND Sante Verte Limited

The aggregate of the share capital and reserves as at 31 December 2008 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Sante Verte Limited	749,628	536,853
Wisdom of Nature Limited	227,275	145,295
ND Sante Verte Limited	1	-
	<hr/>	<hr/>

The company owns 100% of the issued share capital of all three subsidiaries. The principal activity of Sante Verte Limited and Wisdom of Nature Limited is the supply of health and beauty products. ND Sante Verte Limited is dormant.

9. Debtors

	2008 £	2007 £
Amounts owed by group undertakings	31,135	111,287
Other debtors	19,499	2,194
	<hr/>	<hr/>
	50,634	113,481
	<hr/> <hr/>	<hr/> <hr/>

Natural Distribution (Holdings) Limited

Notes to the financial statements for the year ended 31 December 2008

10. Creditors: Amounts falling due within one year

	2008 £	2007 £
Bank loans and overdrafts	82,504 ✓	86,395
Amounts owed to group undertakings	57,254 ✓	-
Corporation tax	27,000 ✓	10,683
Social security and other taxes	6,600 ✓	3,328
Other creditors	4,000 ✓	54,261
Accruals and deferred income	5,880 ✓	3,900
	<u>183,238</u>	<u>158,567</u>

The bank loans and overdrafts are secured, see note 11.

11. Creditors: Amounts falling due after more than one year

	2008 £	2007 £
Bank loans	696,001 ✓	784,537

Creditors include amounts not wholly repayable within 5 years as follows:

	2008 £	2007 £
Repayable by instalments	317,632	490,357

The bank loans and overdrafts are secured by a mortgage debenture together with a fixed and floating charge over all the assets of the company.

There is also a cross guarantee between Natural Distribution (Holdings) Limited and its subsidiary undertaking Sante Verte Limited, together with a limited personal guarantee of £220,000 provided by Mrs M Estienne and Mrs V Hassett.

The bank loans are due in more than 5 years and are repayable by monthly instalments, bearing interest at normal market rates.

Natural Distribution (Holdings) Limited

Notes to the financial statements for the year ended 31 December 2008

12. Share capital

	2008 £	2007 £
Authorised		
20,000 'A' Ordinary shares of £1 each	20,000	20,000
20,000 'B' Ordinary shares of £1 each	20,000	20,000
20,000 'C' Ordinary shares of £1 each	20,000	20,000
20,000 'D' Ordinary shares of £1 each	20,000	20,000
20,000 'E' Ordinary shares of £1 each	20,000	20,000
	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
9,900 'A' Ordinary shares of £1 each	9,900	9,900
26 'B' Ordinary shares of £1 each	26	26
27 'C' Ordinary shares of £1 each	27	27
27 'D' Ordinary shares of £1 each	27	27
20 'E' Ordinary shares of £1 each	20	20
	<u>10,000</u>	<u>10,000</u>

The Company's "D" Ordinary Shares of £1 each and "E" Ordinary Shares of £1 each are non-voting shares but otherwise all categories of shares have the same rights and rank pari passu.

13. Reserves

	Profit and loss account £
At 1 January 2008	319,091
Profit for the year	109,710
Dividends: Equity capital	(108,000)
At 31 December 2008	<u>320,801</u>

14. Reconciliation of movement in shareholders' funds

	2008 £	2007 £
Opening shareholders' funds	329,091	326,304
Profit for the year	109,710	101,787
Dividends (Note 15)	(108,000)	(99,000)
Closing shareholders' funds	<u>330,801</u>	<u>329,091</u>

Natural Distribution (Holdings) Limited

Notes to the financial statements for the year ended 31 December 2008

15. Dividends

	2008 £	2007 £
Dividends paid on equity capital	<u>108,000</u>	<u>99,000</u>

16. Net cash flow from operations

	2008 £	2007 £
Operating profit	193,710	178,125
Decrease in debtors	62,848	36,376
Increase/(decrease) in creditors	12,245	(20,096)
Net cash inflow from operations	<u>268,803</u>	<u>194,405</u>

17. Analysis of cash flows for headings netted in cash flow statement

	2008 £	2007 £
Returns on investments and servicing of finance		
Interest received	29	-
Interest paid	(57,301)	(65,655)
Net cash outflow from returns on investments and servicing of finance	<u>(57,272)</u>	<u>(65,655)</u>
	2008 £	2007 £
Acquisitions and disposals		
Purchase of fixed asset investments	(1)	-
	2008 £	2007 £
Financing		
Repayment of loans	<u>(63,560)</u>	<u>(51,467)</u>

Natural Distribution (Holdings) Limited

Notes to the financial statements for the year ended 31 December 2008

18. Analysis of changes in net debt

	1 January 2008 £	Cash flow £	Other non-cash changes £	31 December 2008 £
Cash at bank and in hand:	-	691	-	691
Bank overdraft	(28,867)	28,867	-	-
	<u>(28,867)</u>	<u>29,558</u>	<u>-</u>	<u>691</u>
Debt:				
Debts due within one year	(57,528)	63,560	(88,536)	(82,504)
Debts falling due after more than one year	(784,537)	-	88,536	(696,001)
	<u>(870,932)</u>	<u>93,118</u>	<u>-</u>	<u>(777,814)</u>

19. Transactions with director

The company operates a current account with Mrs V Hassett, the director. The balance owed from Mrs V Hassett as at 31 December 2008 was £312 (2007 owed to Mrs V Hassett: £7,912). The maximum balance outstanding during the year was £7,912. The current account is interest free and has no set repayment terms.

20. Related party transactions

During the year to 31 December 2008, the company supplied services to Sante Verte Limited, a 100% subsidiary of the company, totalling £308,000 (2007: £354,000).

The balance outstanding at 31 December 2008 due to Sante Verte Limited amounted to £57,254 (2007 amount due from Sante Verte Limited: £92,071).

During the year to 31 December 2008, the company supplied services to Wisdom of Nature Limited, a 100% subsidiary of the company, totalling £20,000 (2007: £Nil).

The balance outstanding at 31 December 2008 due from Wisdom of Nature Limited amounted to £31,135 (2007 : £19,216).

The company operates a current account with Mme M Estienne, the mother of the director. The balance owed to Mme M Estienne as at 31 December 2008 was £23,784 (2007: £42,980). The maximum balance outstanding during the year was £42,980 owed to Mme M Estienne. The current account is interest free and has no set repayment terms.

The company operates a current account with Mrs C Lambert, a sister of the director. The balance owed to Mrs C Lambert as at 31 December 2008 was £Nil (2007: £3,369). The maximum balance outstanding during the year was £3,369. The current account is interest free and has no set repayment terms.

All transactions were made on a normal arms length trading basis.

Natural Distribution (Holdings) Limited

**Notes to the financial statements
for the year ended 31 December 2008**

21. Controlling party

Mrs V Hassett, a director, controls the company by virtue of a controlling interest of 60% of the issued ordinary share capital.