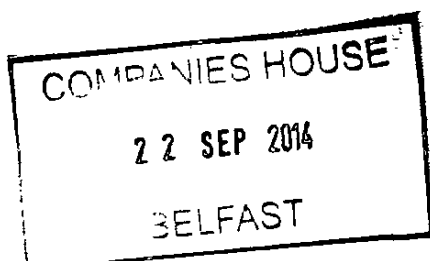


Financial Statements SHS Sales & Marketing (GB) Limited

For the period from 29 December 2012 to 3 January 2014



Registered number: NI016607



Contents

	Page
Directors' report	1 - 2
Strategic report	3 - 4
Independent auditor's report	5 - 6
Profit and loss account	7
Balance sheet	8
Notes to the financial statements	9 - 17

Directors' Report

For the period from 29 December 2012 to 3 January 2014

The directors present their report and the financial statements for the Period ended 3 January 2014.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results & dividends

The profit for the period, after taxation, amounted to £2,351,571 (2012 - £3,768,695).

Dividends paid on equity capital amounted to £2,000,000 (2012: £3,000,000)

Directors

The directors who served during the period were:

Mrs B A M Salters
Mr J Sloan
Mr R M Howard
Mr P J Butler
Mr A W Richmond

Future developments

The directors intend to continue the management policies of innovation and development.

Directors' Report

For the period from 29 December 2012 to 3 January 2014

Disclosure of information to auditor

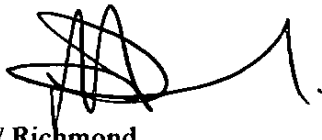
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is 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 relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Grant Thornton UK LLP do not intend to offer themselves for reappointment as auditors. In accordance with s485(4) of the Companies Act 2006 a written resolution to appoint Grant Thornton NI LLP as auditors has been sent out with these financial statements.

This report was approved by the board on 19 May 2014 and signed on its behalf.

A handwritten signature in black ink, appearing to be 'A W Richmond', with a stylized flourish at the end.

Mr A W Richmond
Director

Strategic Report

For the period from 29 December 2012 to 3 January 2014

Introduction

The directors are pleased to present their strategic report for the period ended 3 January 2014

Business review

There were no significant changes in the activities of the company during the year. The directors consider that in light of prevailing economic and market conditions, both the results for the year and the prospects for the future are satisfactory.

Principal activities

The company's principal activities are the marketing of Farmlea branded food products and the marketing and distribution of drinks, grocery and healthcare products.

Financial key performance indicators

The key performance indicator for the company is the gross margin. The gross margin for the period was 5.2% (period ended 28 December 2012: 5.6%).

Principal risks and uncertainties

Financial risk management objectives and policies

The company uses various financial instruments including cash, bank loans or overdrafts and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below.

The main risks arising from the company's financial instruments are interest rate risk, currency risk, credit risk and liquidity risk.

The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. Short term flexibility is achieved by holding cash balances and overdraft facilities.

Currency risk

The company is exposed to translation and transaction foreign exchange risk. In relation to this risk, the company principally uses group level foreign currency contracts with financial institutions in order to hedge against adverse movements in exchange rates.

Interest rate risk

The company finances its operations through a mixture of retained profits and bank borrowings. The company's exposure to interest rate fluctuations on its borrowings is managed through annual review of its borrowing requirements.

Strategic Report (continued)

Credit risk

The company's principal financial assets are cash and debtors. The credit risk associated with cash is limited. The principal credit risk arises therefore from debtors.

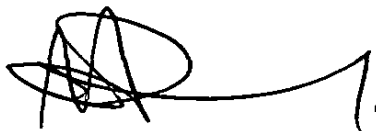
In order to manage credit risk the directors assess potential customers based on a mixture of past history, credit references and industry knowledge. Amounts owed are reviewed and followed up on a regular basis.

Price and market risk

As the company does not normally make investments, price risk is considered inconsequential.

This report was approved by the board on 19 May 2014 and signed on its behalf.

Mr A W Richmond
Director

A handwritten signature in black ink, consisting of a stylized 'A' followed by a long horizontal stroke and a vertical line at the end.

Independent Auditor's Report to the Members of SHS Sales & Marketing (GB) Limited

We have audited the financial statements of SHS Sales & Marketing (GB) Limited for the period ended 3 January 2014, which comprise the profit and loss account, the balance sheet and the related notes. 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 directors and auditor

As explained more fully in the directors' responsibilities statement, 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 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 Financial Reporting Council'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 3 January 2014 and of its profit for the period 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

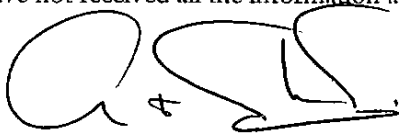
In our opinion the information given in the Strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Independent Auditor's Report to the Members of SHS Sales & Marketing (GB) 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Timothy Lincoln (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
Hartwell House
55-61 Victoria Street
Bristol
BS1 6FT

19 May 2014

Profit and Loss Account

For the period from 29 December 2012 to 3 January 2014

		Period from 29 December 2012 to 3 January 2014 £	Period from 31 December 2011 to 28 December 2012 £
	Note		
Turnover	1,2	298,671,504	295,179,389
Cost of sales		<u>(283,252,112)</u>	<u>(278,692,320)</u>
Gross profit		15,419,392	16,487,069
Distribution costs		<u>(329,583)</u>	<u>(268,024)</u>
Administrative expenses		<u>(12,022,443)</u>	<u>(11,237,088)</u>
Operating profit	3	3,067,366	4,981,957
Interest receivable and similar income		5,661	29,671
Interest payable and similar charges	6	<u>-</u>	<u>(1,471)</u>
Profit on ordinary activities before taxation		3,073,027	5,010,157
Tax on profit on ordinary activities	7	<u>(721,456)</u>	<u>(1,241,462)</u>
Profit for the financial period	13	<u>2,351,571</u>	<u>3,768,695</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the profit and loss account.

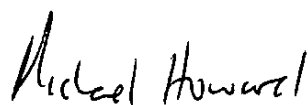
The notes on pages 9 to 17 form part of these financial statements.

Balance Sheet

As at 3 January 2014

	Note	£	3 January 2014 £	28 December 2012 £
Fixed assets				
Tangible assets	8		80,655	99,224
Current assets				
Stocks	9	11,602,596		10,839,487
Debtors	10	68,009,589		70,371,723
Cash at bank		812,055		486,411
		<u>80,424,240</u>		<u>81,697,621</u>
Creditors: amounts falling due within one year	11	<u>(68,337,969)</u>		<u>(69,981,490)</u>
Net current assets			<u>12,086,271</u>	<u>11,716,131</u>
Net assets			<u><u>12,166,926</u></u>	<u><u>11,815,355</u></u>
Capital and reserves				
Called up share capital	12		50,000	50,000
Profit and loss account	13		<u>12,116,926</u>	<u>11,765,355</u>
Shareholders' funds	14		<u><u>12,166,926</u></u>	<u><u>11,815,355</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 May 2014.



Mr R M Howard
Director

The notes on pages 9 to 17 form part of these financial statements.

Notes to the Financial Statements

For the period from 29 December 2012 to 3 January 2014

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 Going concern

The directors have assessed, based on the anticipated activities of the company, that there are adequate resources in place to meet the ongoing costs of the business for a minimum of 12 months from the date of signing the financial statements. In coming to this conclusion, the directors have assessed the entity's current financing arrangements and liquid resources. For this reason the financial statements have been prepared on a going concern basis which presumes the realisation of assets and liabilities in the normal course of business.

1.3 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.4 Turnover

The turnover shown in the profit and loss account represents income from the marketing of Farmlea branded food products and the marketing and distribution of drinks, grocery and healthcare products, exclusive of Value Added Tax.

Turnover is recognised upon the delivery of goods.

1.5 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:

Fixtures & fittings	-	10-15% straight line
Office equipment	-	10-20% straight line

1.6 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

1.7 Stocks

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

Notes to the Financial Statements

For the period from 29 December 2012 to 3 January 2014

1. Accounting Policies (continued)

1.8 Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

1.9 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the period.

1.10 Financial Instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

2. Turnover

The whole of the turnover is attributable to the principal activities of the company.

All turnover arose within the United Kingdom.

Notes to the Financial Statements

For the period from 29 December 2012 to 3 January 2014

3. Operating profit

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

	Period from 29 December 2012 to 3 January 2014 £	Period from 31 December 2011 to 28 December 2012 £
Depreciation of tangible fixed assets:		
- owned by the company	17,221	22,558
Operating lease rentals:		
- other operating leases	458,747	398,491
Loss/(profit) on foreign exchange	20,684	(119,947)
Auditor's remuneration	11,100	10,800
Tax fees	1,500	1,450
	<u>498,652</u>	<u>313,352</u>

4. Staff costs

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

	Period from 29 December 2012 to 3 January 2014 £	Period from 31 December 2011 to 28 December 2012 £
Wages and salaries	6,514,590	6,208,609
Social security costs	698,262	661,520
Other pension costs	399,125	324,306
	<u>7,611,977</u>	<u>7,194,435</u>

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

	Period from 29 December 2012 to 3 January 2014 No.	Period from 31 December 2011 to 28 December 2012 No.
Number of distribution staff	130	123
Number of administrative staff	28	30
	<u>158</u>	<u>153</u>

Notes to the Financial Statements

For the period from 29 December 2012 to 3 January 2014

5. Directors' remuneration

	Period from 29 December 2012 to 3 January 2014 £	Period from 31 December 2011 to 28 December 2012 £
Remuneration	493,255	481,464
Company pension contributions to defined contribution pension schemes	19,903	17,974

During the period retirement benefits were accruing to 1 director (2012 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £243,442 (2012 - £231,487).

6. Interest payable

	Period from 29 December 2012 to 3 January 2014 £	Period from 31 December 2011 to 28 December 2012 £
On bank loans and overdrafts	-	1,471

7. Taxation

	Period from 29 December 2012 to 3 January 2014 £	Period from 31 December 2011 to 28 December 2012 £
Analysis of tax charge in the period		
UK corporation tax charge on profit for the period	722,687	1,241,462
Adjustments in respect of prior periods	(1,231)	-
Tax on profit on ordinary activities	721,456	1,241,462

Notes to the Financial Statements

For the period from 29 December 2012 to 3 January 2014

7. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is higher than (2012 - higher than) the standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%). The differences are explained below:

	Period from 29 December 2012 to 3 January 2014 £	Period from 31 December 2011 to 28 December 2012 £
Profit on ordinary activities before tax	<u>3,073,027</u>	<u>5,010,157</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	714,374	1,227,553
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	8,655	14,781
Capital allowances for period in excess of depreciation	(420)	(847)
Adjustments to tax charge in respect of prior periods	(1,231)	-
Other timing differences leading to an increase (decrease) in taxation	-	(25)
Claim in respect of group relief	530,855	1,045,356
Payment in respect of group relief	(530,855)	(1,045,356)
Rounding	78	-
Current tax charge for the period (see note above)	<u>721,456</u>	<u>1,241,462</u>

Notes to the Financial Statements

For the period from 29 December 2012 to 3 January 2014

8. Tangible fixed assets

	Fixtures & fittings £	Office equipment £	Total £
Cost			
At 29 December 2012	238,936	804,607	1,043,543
Disposals	(119,121)	(223,220)	(342,341)
At 3 January 2014	119,815	581,387	701,202
Depreciation			
At 29 December 2012	152,489	791,830	944,319
Charge for the period	12,041	5,180	17,221
On disposals	(119,044)	(221,949)	(340,993)
At 3 January 2014	45,486	575,061	620,547
Net book value			
At 3 January 2014	74,329	6,326	80,655
At 28 December 2012	86,447	12,777	99,224

9. Stocks

	3 January 2014 £	28 December 2012 £
Finished goods and goods for resale	11,602,596	10,839,487

The company held consignment stock with an estimated value of £6,056,534 as at 3 January 2014 (28 December 2012: £3,887,083) which is not recorded on the balance sheet. The principal terms of the consignment agreements are such that the company can return any or all of the stock to the relevant suppliers without financial penalties and the supplier can vary the stock prices.

The replacement value of stock is not materially different from its carrying value.

10. Debtors

	3 January 2014 £	28 December 2012 £
Trade debtors	65,841,652	69,708,706
Amounts owed by group undertakings	1,170,134	93,773
Other debtors	-	170,383
Prepayments and accrued income	997,803	398,861
	68,009,589	70,371,723

Notes to the Financial Statements

For the period from 29 December 2012 to 3 January 2014

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

	3 January 2014	28 December 2012
	£	£
Bank loans and overdrafts	3,672,139	4,850,007
Trade creditors	15,540,476	12,966,040
Amounts owed to group undertakings	38,410,369	44,406,477
Other creditors	141,786	612,898
Corporation tax	191,830	-
Other taxation and social security	863,856	718,657
Accruals and deferred income	9,517,513	6,427,411
	<u>68,337,969</u>	<u>69,981,490</u>

12. Share capital

	3 January 2014	28 December 2012
	£	£
Allotted, called up and fully paid		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

13. Reserves

	Profit and loss account £
At 29 December 2012	11,765,355
Profit for the period	2,351,571
Dividends: Equity capital (Note 15)	(2,000,000)
At 3 January 2014	<u>12,116,926</u>

14. Reconciliation of movement in shareholders' funds

	3 January 2014	28 December 2012
	£	£
Opening shareholders' funds	11,815,355	11,046,660
Profit for the period	2,351,571	3,768,695
Dividends (Note 15)	(2,000,000)	(3,000,000)
Closing shareholders' funds	<u>12,166,926</u>	<u>11,815,355</u>

Notes to the Financial Statements

For the period from 29 December 2012 to 3 January 2014

15. Dividends

	Period from 29 December 2012 to 3 January 2014 £	Period from 31 December 2011 to 28 December 2012 £
Dividends paid on equity capital	<u>2,000,000</u>	<u>3,000,000</u>

16. Capital commitments

The directors have confirmed that there were no capital commitments at 3 January 2014 or 28 December 2012.

17. Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

The company is also a member of a group defined benefit pension scheme. Full details of this scheme are disclosed in the financial statements of SHS Group Limited, which has accounted for the scheme under FRS 17.

The pension cost, which represents contributions payable to both schemes by the company, amounted to £399,125 (2012: £324,306).

18. Operating lease commitments

At 3 January 2014 the company had annual commitments under non-cancellable operating leases as follows:

	3 January 2014 £	28 December 2012 £
Expiry date:		
Within 1 year	83,769	107,014
Within 2 - 5 years	<u>822,689</u>	<u>564,620</u>

19. Related party transactions

As a wholly owned subsidiary of SHS Group Limited, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group.

Notes to the Financial Statements

For the period from 29 December 2012 to 3 January 2014

20. Ultimate parent undertaking and controlling party

The directors consider that the ultimate parent company is SHS Group Limited, a company incorporated in Northern Ireland.

The ultimate controlling parties of SHS Group Limited are its shareholders.

The financial statements of SHS Group Limited are available for inspection at the Registrar of Companies, second floor, The Linenhall, 32-38 Linenhall Street, Belfast.

21. Liability Limitation Agreement with the auditor

The company has entered into a liability limitation agreement with Grant Thornton UK LLP, the statutory auditor, in respect of the statutory audit for the period ended 3 January 2014. The proportionate liability agreement follows the standard terms in Appendix B to the Financial Reporting Council's June 2008 Guidance on Auditor Liability Agreements, and was approved by the directors on 1 March 2013.