Registered Number 07427985

AHHA PUBLICATIONS LIMITED

Report and Financial Statements

Year ended 31 December 2017

AHHA PUBLICATIONS LIMITED

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

CONTENTS

AHHA PUBLICATIONS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J D Amery
E L Ellis
H C L Sadler

COMPANY SECRETARY

J D Amery

REGISTERED OFFICE

Lakeside, 180 Lifford Lane,
Kings Norton,
Birmingham,
B30 3NU

BANKERS

Barclays Bank Plc
15 Colmore Row
Birmingham
B3 2BH

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Donington Court
Pegasus Business Park
Castle Donington
East Midlands
DE74 2UZ

DIRECTORS' REPORT

The directors have pleasure in presenting their report and the audited financial statements of AhHa Publications Limited for the year ended 31 December 2017. In the prior period the reporting date was changed to that of the Company's ultimate parent company (see note 22), and as such performance versus prior period is not directly comparable.

PRINCIPAL ACTIVITIES

The principal activity of the Company in the year was the publication of children's health and wellbeing story books, and other similar educational resources.

No significant change in the nature of these activities occurred during the year.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

During the year the Company has continued to build relationships with key opinion leaders and healthcare professionals. The stories and activity guides currently published give a breadth of literature to the reader. The Company will continue to focus on the same principal activities in future periods.

PRINCIPAL RISKS AND UNCERTAINTIES

All businesses face a range of risks and uncertainties, being subject to risk factors from internal and external sources. AhHa Publications Limited participates in a regular risk assessment that uses a framework encompassing a range of risk factors: operational, financial, strategic, environmental, political, social, economic, and technological. The likelihood and significance of risk factors are considered when putting in place risk management procedures to ensure risk mitigation.

KEY PERFORMANCE INDICATORS

AhHa Publications Limited uses a number of key performance indicators (KPIs) to assess performance and progress against strategic objectives. The most important of these KPIs are revenue and profit from operations.

	Year to 31 December 2017	*9 months to 31 December 2016*
Revenue	*£49,000*	*£38,000*
Loss from operations before one off items	*(£70,000)*	*(£48,000)*

RESULTS

The loss after tax for the year was £73,000 (9 months to 31 December 2016: profit of £205,000).

DIVIDEND

The directors do not recommend payment of a dividend for the year (9 months to 31 December 2016: £nil).

DIRECTORS AND DIRECTORS' INTERESTS

The directors who served throughout the year and up to the date of signing of the financial statements and their interests (including the interests of connected parties) at the year end in the share capital of the Company were as follows:

	Ordinary Shares of 1 pence each 31 December 2017	Ordinary Shares of 1 pence each 31 December 2016
J D Amery	-	-
E L Ellis	-	-
H C L Sadler	98	98

The Company has purchased and maintained throughout the year directors' and officers' liability insurance in respect of itself and its directors which is current at the date of approval of the financial statements.

None of the directors had an interest in a contract of significance to which the Company was a party during the year.

DIRECTORS' REPORT

COMPANY POLICY ON THE PAYMENT OF CREDITORS

Payments are made within the terms established with suppliers, provided that the supplier is also complying with all relevant terms and conditions. The number of days' purchases outstanding at 31 December 2017 is 5 (31 December 2016: 2).

GOING CONCERN

The Company is dependent upon continuing financial assistance being made available by a fellow group company, BioCare Limited, to enable it to continue operating and meeting its liabilities as they fall due. This finance and support is available for a period of at least twelve months after the date of approval of these financial statements. The directors believe that it is therefore appropriate to prepare financial statements on a going concern basis.

POLITICAL AND CHARITABLE DONATIONS

There were no charitable or political donations during this or the prior year.

FINANCIAL INSTRUMENTS

Information on the Company's financial instruments is disclosed in note 16 to the financial statements.

DISCLOSURE OF INFORMATION TO AUDITORS

At the date of making this report each of the Company's directors, as set out on page 1, confirm the following:

- so far as each director is aware, there is no relevant information needed by the Company's auditors in connection with preparing their report of which the Company's auditors are unaware, and
- each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant 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.

INDEPENDENT AUDITORS

The directors have resolved to reappoint PricewaterhouseCoopers LLP as the Company's auditors.

This report has been prepared in accordance with the provisions applicable to small companies entitled to the small companies regime. In accordance with Section 414B of the Companies Act 2006, the directors have taken the exemption from preparing a strategic report.

On behalf of the Board

J D Amery
Director
27 July 2018

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;

- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;

- make judgements and accounting estimates that are reasonable and prudent; and

- 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 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.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AHHA PUBLICATIONS LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion, AhHa Publications Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2017; the statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AHHA PUBLICATIONS LIMITED

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

OTHER REQUIRED REPORTING

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

David Teager (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands
27 July 2018

STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2017

	Note	Year to 31 December 2017 £'000	9 months to 31 December 2016 £'000
REVENUE	4	49	38
Cost of sales		(14)	(12)
Gross profit		35	26
Administrative expenses		(105)	(74)
LOSS FROM OPERATIONS	8	(70)	(48)
Finance income:			
Before one-off items		-	-
Release of amounts due to related parties	6	-	257
		-	257
Finance costs	5	(3)	(4)
(LOSS)/PROFIT BEFORE TAX		(73)	205
Taxation	7	-	-
(LOSS)/PROFIT FOR THE YEAR/PERIOD	18	(73)	205
Other comprehensive income		-	-
TOTAL COMPREHENSIVE (EXPENSE) /INCOME FOR THE YEAR/PERIOD		(73)	205

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

STATEMENT OF FINANCIAL POSITION

Company Number 07427985

As at 31 December 2017

	Note	31 December 2017 £'000	31 December 2016 £'000
ASSETS			
Non-current assets			
Intangible assets	11	24	26
Property, plant and equipment	12	-	1
		24	27
Current assets			
Inventories	13	30	40
Trade and other receivables	14	34	27
Cash and cash equivalents	15	15	-
		79	67
Total assets		103	94
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	17	-	-
Accumulated losses	18	(78)	(5)
Total equity		(78)	(5)
Current liabilities			
Trade and other payables	19	181	99
Total liabilities		181	99
Total equity and liabilities		103	94

The financial statements on pages 7 to 24 were approved and authorised for issue by the Board of Directors on 27 July 2018 and are signed on its behalf by:

J D Amery

Director

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2017

	Note	Share capital £'000	Accumulated losses £'000	Total £'000
At 1 April 2016		-	(210)	(210)
Profit and total comprehensive income for the period	18	-	205	205
At 31 December 2016 and 1 January 2017		-	(5)	(5)
Loss and total comprehensive expense for the year	18	-	(73)	(73)
At 31 December 2017		-	(78)	(78)

STATEMENT OF CASH FLOWS
Year ended 31 December 2017

	Note	Year to 31 December 2017 £'000	9 months to 31 December 2016 £'000
OPERATING ACTIVITIES			
Cash receipts from customers		49	38
Cash paid to suppliers and employees		(114)	(86)
Cash used by operations	20	(65)	(48)
Income taxes paid		-	-
Net cash used in operating activities		(65)	(48)
INVESTING ACTIVITIES			
Payments for intangible assets		-	(7)
Net cash used in investing activities		-	(7)
FINANCING ACTIVITIES			
Cash receipts from Group companies		80	54
Net cash generated from financing activities		80	54
Net increase / (decrease) in cash and cash equivalents	21	15	(1)
Cash and cash equivalents at beginning of the year/period	21	-	1
Cash and cash equivalents at the end of the year/period		15	-

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

1. GENERAL INFORMATION

AhHa Publications Limited (the Company) is a private limited company limited by shares domiciled and incorporated in England. The address of its registered office and principal place of business is disclosed on page 1. The principal activities of the Company are described in note 4.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with the Companies Act 2006 as applicable to companies using EU adopted International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations and the accounting policies have been consistently applied.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

Going concern

The Company is dependent upon continuing financial assistance being made available by a fellow group company, BioCare Limited, to enable it to continue operating and meeting its liabilities as they fall due. This finance and support is available for a period of at least twelve months after the date of approval of these financial statements. The directors believe that it is therefore appropriate to prepare financial statements on a going concern basis.

Functional and Presentation Currencies

The financial statements are presented in sterling which is also the functional currency of the Company.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

Sales of goods are recognised when goods are delivered and title has passed.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Taxation

The taxation expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis

Intangible Assets

Intangible assets comprise of intellectual property, website and software costs stated at fair value less any impairment if acquired on a business combination or at cost if purchased. The intellectual property is deemed to have an indefinite life, as it is valid for as long as products are manufactured and supplied, and is subject to annual impairment review. Amortisation on the website and software costs is charged on a straight line basis over the estimated useful life of 10 years.

Property, Plant and Equipment

Plant, machinery and office equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives using the straight-line method and is included within administrative expenses. The estimated useful lives, residual values and depreciation methods are reviewed at each period end, with the effect of any changes in estimate accounted for on a prospective basis.

The following rates are used for depreciation of plant, machinery & office equipment:

Plant, machinery and office equipment	3 years straight line

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

Impairment of intangible assets and property, plant and equipment

At each reporting date, the company reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment of intangible assets and property, plant and equipment

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of comprehensive income.

Inventories

Inventories are stated at the lower of cost, being the cost of purchase and other costs in bringing the inventories to their current location, and net realisable value. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

2. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Financial instruments

The company is committed to mitigating financial risk to the extent that it is practical having regard to the size and nature of the organization, following a policy of maintaining positive cash reserves.

Financial assets and financial liabilities are recognised on the company's balance sheet when the company becomes a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables are classified as loans and receivables and are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the statement of comprehensive income when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Share capital

Ordinary shares issued by the Company are classified as equity and recorded at fair value on initial recognition received net of direct issue costs.

Foreign currencies

Transactions in currencies other than functional currency of the Company are initially recorded at the exchange rate prevailing on the dates of the transaction. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the exchange rate prevailing at the reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in profit and loss for the period, except for exchange differences on non-monetary assets and liabilities, which are recognised directly in other comprehensive income when the changes in fair value are recognised directly in other comprehensive income.

Trade payables

Trade payables are classified as other liabilities and are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

New and amended standards adopted by the Company

There have been no new standards, amendments and interpretations which are effective for the financial period beginning 1 January 2017 that have had a significant impact on the Company.

New standards and interpretations not yet adopted by the Company

A number of new standards and amendments to standards and interpretations are effective for periods beginning 1 January 2017, and have not been applied in preparing the financial statements. None of these is expected to have a significant effect on the financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New standards and interpretations that are not yet effective and have not been early adopted by the Company

IFRS 9 - Financial Instruments, and IFRS 15 - Revenue from Contracts with customers are effective from 1 January 2018. A high-level assessment has been performed and although these standards are relevant for our business they are not expected to have a material impact on our reported results.

IFRS 16 - Leases is effective from 1 January 2019 and has yet to be formally assessed although it is not expected to have a material impact on our reported results.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4. REVENUE

The whole of the revenue is attributable to the one principal activity of the Company being the publication of children's health and wellbeing story books and other similar educational resources, and license income. For management purposes, all results are reported as part of this single activity.

An analysis of the Company's revenue is as follows:	Year to 31 December 2017 £'000	9 months to 31 December 2016 £'000
Sale of goods and license income	24	19
License income	25	19
	49	38

All revenue is generated from the UK.

5. FINANCE COSTS

	Year to 31 December 2017 £'000	9 months to 31 December 2016 £'000
Interest payable to Group companies	3	4

6. ONE-OFF ITEMS

During the period ending December 2016, NutraHealth plc, the Company's immediate parent undertaking at 1 April 2016, released the Company from its loan obligations of £257,000.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

7. TAXATION

	Year to 31 December 2017 £'000	9 months to 31 December 2016 £'000
Corporation tax expense for the year/period	-	-

Tax is calculated at 19.3% (9 months to 31 December 2016: 20%) of the estimated assessable (loss)/profit for the year/period.

The total charge for the year/period can be reconciled to the accounting (loss)/profit as follows:

	Year to 31 December 2017 £'000	%	9 months to 31 December 2016 £'000	%
(Loss)/profit before tax	(73)		205	
Tax at the corporation tax rate of 19.3% (9 months to 31 December 2016: 20%)	(14)	19.3	41	20.0
Tax effect of expenses that are not deductible in determining taxable profit	-	-	(51)	(24.9)
Tax losses carried forward	14	19.3	10	4.9
Tax expense and effective tax rate for the year/period	-	-	-	-

At 31 December 2017 the Company had unutilised tax losses of £346,000 (31 December 2016: £275,000), which would give rise to a deferred tax asset of £66,000 (31 December 2016: £55,000). This asset has not been recognised on the basis that there are insufficient foreseeable taxable profits against which the losses could be utilised.

On 26 October 2015 the UK Parliament substantively enacted the Finance Act 2014, including a reduction of the UK corporate tax rate to 19% effective from 1 April 2017 and 18% effective from 1 April 2020.

On 6 September 2016 the UK Parliament substantively enacted the Finance Act 2016, including a further reduction of the UK corporate tax rate to 17% effective from 1 April 2020. Since these rates have been substantively enacted by the balance sheet date, they have been applied in calculation of the tax position of the Company.

8. LOSS FROM OPERATIONS

	Year to 31 December 2017 £'000	9 months to 31 December 2016 £'000
Loss from operations has been arrived at after charging:		
Depreciation of property, plant and equipment	1	-
Amortisation of intangible assets	2	2
Staff cost (see note 9)	32	23
Cost of inventories recognised as expense	13	9
Fees payable to the Company's auditors and its associates in respect of both audit and non-audit services:		
Audit services – Statutory audit of financial statement	4	6
Other services – Taxation services	3	1
Other expenses	64	45
Total cost of sales and administrative expenses	119	86

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

9. STAFF COSTS

The average monthly number of employees (including executive directors) during the year was:

	Year to 31 December 2017 Number	9 months to 31 December 2016 Number
Administration	1	1
	1	1

Their aggregate remuneration comprised:	Year to 31 December 2017 £'000	9 months to 31 December 2016 £'000
Wages and salaries	29	22
Social security costs	3	1
	32	23

10. DIRECTORS' EMOLUMENTS

	Year to 31 December 2017 £'000	9 months to 31 December 2016 £'000
Emoluments for qualifying services	29	22
Emoluments disclosed above include the following paid to the highest paid director		
Emoluments for qualifying services	29	22

11. INTANGIBLE ASSETS

2017	Trademarks £'000	Website & Software £'000	Total £'000
Cost			
1 January 2017	16	15	31
Additions	-	-	-
At 31 December 2017	16	15	31
Accumulated amortisation			
1 January 2017	2	3	5
Amortisation for the year	1	1	2
At 31 December 2017	3	4	7
Carrying amount			
At 31 December 2017	13	11	24

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

11. INTANGIBLE ASSETS (CONTINUED)

2016	Trademarks	Website & Software	Total
	£'000	£'000	£'000
Cost			
1 April 2016	9	15	24
Additions	7	-	7
At 31 December 2016	16	15	31
Accumulated amortisation			
1 April 2016	1	2	3
Amortisation for the period	1	1	2
At 31 December 2016	2	3	5
Carrying amount			
At 31 December 2016	14	12	26

Amortisation of £2,000 (9 months to 31 December 2016: £2,000) is included in administrative expenses.

12. PROPERTY, PLANT AND EQUIPMENT

2017	Plant, machinery and office equipment	Total
	£'000	£'000
Cost		
At 1 January 2017 and 31 December 2017	2	2
Accumulated depreciation		
1 January 2017	1	1
Depreciation for the year	1	1
At 31 December 2017	2	2
Carrying amount		
At 31 December 2017	-	-

2016	Plant, machinery and office equipment	Total
	£'000	£'000
Cost		
At 1 April 2016 and 31 December 2016	2	2
Accumulated depreciation		
At 1 April 2016 and 31 December 2016	1	1
Carrying amount		
At 31 December 2016	1	1

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2017

13. INVENTORIES

	2017 £'000	2016 £'000
Finished goods	30	40

14. TRADE AND OTHER RECEIVABLES

	2017 £'000	2016 £'000
Current assets		
Amounts receivable from sales of goods	1	1
Other amounts receivable	-	1
Trade and other receivables	1	2
Amounts due from Group companies	33	23
Other taxation and social security	-	2
	34	27

The directors consider that the carrying amount of trade and other receivables approximates their fair value.

There were no amounts receivable from the sale of goods that were past due at 31 December 2017, or impaired.

15. OTHER FINANCIAL ASSETS

Cash and cash equivalents

Cash and cash equivalents of £15,000 (31 December 2016: £nil) comprise cash held by the Company and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

Credit risk

The Company's principal financial assets are bank balances and cash, trade and other receivables.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The Company has no other significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

16. FINANCIAL RISK MANAGEMENT

The Company's activities expose the Company to a number of risks including market risk (foreign currency risk and interest rate risk), credit risk and liquidity risk. The Company manages these risks through an effective risk management program.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

16. FINANCIAL RISK MANAGEMENT (CONTINUED)

Exposures to financial risks are monitored and assessed by management and reported on a monthly basis. Any significant exposure is reported to the Board and discussed at Board meetings to ensure that the risk mitigation procedures are compliant with the Company policy and that any new risks are appropriately managed.

The Company's financial assets are all classified as 'Loans and receivables', and its liabilities are all 'Other financial liabilities at amortised cost'. No receivables were impaired at the year end.

Liquidity risk

The Company closely monitors its access to bank and other credit facilities in comparison to its outstanding commitments on a regular basis to ensure that it has sufficient funds to meet the obligations of the Company as they fall due.

The Board receives regular forecasts which estimate the cash flows over the next eighteen months, so that management can ensure that sufficient financing is in place as it is required.

Maturity analysis

The tables below analyses the Company's financial assets and liabilities on a contractual gross undiscounted cash flow basis into maturity groupings based on period outstanding at the reporting date up to the contractual maturity date.

2017	**Less than 6 months**	**Between 6 months and 1 year**	**Between 1 to 5 years**	**Over 5 years**	**Total**
Assets	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Trade and other receivables	1	-	-	-	1
Amounts due from Group companies	33	-	-	-	33
	34	-	-	-	34
Liabilities					
Trade and other payables	20	-	-	-	20
Amounts payable to Group companies	157	-	-	-	157
	177	-	-	-	177

2016	**Less than 6 months**	**Between 6 months and 1 year**	**Between 1 to 5 years**	**Over 5 years**	**Total**
Assets	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Trade and other receivables	2	-	-	-	2
Amounts due from Group companies	23	-	-	-	23
	25	-	-	-	25
Liabilities					
Trade and other payables	24	-	-	-	24
Amounts payable to Group companies	74	-	-	-	74
	98	-	-	-	98

The Company would normally expect that sufficient cash is generated in the operating cycle to meet the contractual cash flows as disclosed above through effective cash management.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

16. FINANCIAL RISK MANAGEMENT (CONTINUED)

Foreign currency risk

The Company's foreign currency risk is not material at the year end.

Interest rate risk

The Company's interest rate exposure is limited to interest payable on loans from other Group companies.

The Company enters into intercompany loans with other trading Group companies. Interest is charged at 2.5% plus base rate.

The table below shows the Company's financial assets and liabilities split by those bearing fixed and floating rates and those that are non-interest bearing.

2017	Fixed Rate £'000	Floating Rate £'000	Non-interest bearing £'000	Total £'000
Cash and cash equivalents	-	15	-	15
Trade and other receivables	-	-	1	1
Amounts due from Group companies	-	33	-	33
	-	48	1	49
Trade and other payables	-	-	20	20
Amounts payable to Group companies	-	157	-	157
	-	157	20	177

2016	Fixed Rate £'000	Floating Rate £'000	Non-interest bearing £'000	Total £'000
Cash and cash equivalents	-	-	-	-
Trade and other receivables	-	-	2	2
Amounts due from Group companies	-	23	-	23
	-	23	2	25
Trade and other payables	-	-	24	24
Amounts payable to Group companies	-	74	-	74
	-	74	24	98

The table below summarises the impact of increases/decreases of a 1% change in base rate on the Company's post-tax profit for the year/period, and on equity.

	Impact on post-tax (loss)/profit		Impact on equity	
	Year to 31 December 2017 £'000	9 months to 31 December 2016 £'000	Year to 31 December 2017 £'000	9 months to 31 December 2016 £'000
Base rate	1	2	1	2

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

16. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk exposure

Credit risk predominantly arises from trade receivables (see note 15).

Credit exposure is managed by assessing the credit quality of each customer internally before accepting any terms of trade. Internal procedures are performed taking into account their financial position as well as their reputation within the industry and past experience.

The Company's maximum exposure to credit risk, gross of any collateral held, relating to its financial assets is equivalent to their carrying value as disclosed below. All financial assets have a fair value which is equal to their carrying value.

Maximum exposure to credit risk	**2017 £'000**	**2016 £'000**
Trade and other receivables	1	2
Amounts due from Group companies	33	23
Cash and cash equivalents	15	-
	49	25

Capital management

For the purposes of the Company's capital management, capital includes issued capital, and all other equity reserves attributable to the equity holders of the Company.

The Company's main objective when managing capital, defined as equity and retained earnings/accumulated losses, is to protect returns to shareholders by ensuring the Company will continue to trade profitably in the foreseeable future. The Company also aims to maximise its capital structure of debt and equity so as to minimise its cost of capital.

A key indicator of the Company's capital management performance is the profit / loss reported in a year/period. A loss of £73,000 was reported in the year (9 months to 31 December 2016: profit of £205,000), which the director's consider adequate considering all appropriate factors.

The Company manages its capital with regard to the risks inherent in the business and the sector within which it operates by monitoring its capital on a regular basis.

Net debt includes short and long-term borrowings net of cash and cash equivalents (see note 21).

17. SHARE CAPITAL

	2017 £'000	**2016 £'000**
Authorised:		
200 ordinary shares of 1 pence each	-	-
Issued and fully paid:		
200 ordinary shares of 1 pence each	-	-

The Company has one class of ordinary shares which carry no right to fixed income.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2017

18. ACCUMULATED LOSSES

	£'000
At 1 April 2016	(210)
Profit for the period attributable to equity holders	205
At 31 December 2016 and 1 January 2017	(5)
Loss for the year attributable to equity holders	(73)
At 31 December 2017	(78)

All reserves represent retained earnings from current and prior periods.

19. TRADE AND OTHER PAYABLES

	2017 £'000	2016 £'000
Amounts payable relating to the purchase of goods and services	13	21
Other payables	7	3
Trade and other payables	20	24
Amounts payable to Group companies	157	74
Other taxation and social security	4	1
	181	99

Trade payables, accruals and other creditors principally comprise amounts outstanding for trade purchases and ongoing costs.

The directors consider that the carrying amount of trade payables approximates their fair value.

All trade and other payables are denominated in sterling.

20. RECONCILIATION OF LOSS FROM OPERATIONS TO CASHFLOW FROM OPERATING ACTIVITIES

	Year to 31 December 2017 £'000	9 months to 31 December 2016 £'000
Loss from operations	(70)	(48)
Decrease / (increase) in inventory	10	(8)
Increase in receivables	(7)	(3)
(Decrease) / increase in payables	(1)	9
Amortisation	2	2
Depreciation	1	-
Cash flow from operating activities	(65)	(48)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

21. ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2017 £'000	Change in net funds £'000	Non-cash movements £'000	At 31 December 2017 £'000
Amounts payable to Group companies	74	80	3	157
Less cash and cash equivalents	-	(15)	-	(15)
Net funds	74	65	3	142

Other amounts due from Group companies of £33,000 (31 December 2016: £23,000) are trade balances and therefore are not included in the above analysis.

22. RELATED PARTY TRANSACTIONS AND ULTIMATE CONTROLLING PARTY

At 31 December 2017 the immediate parent undertaking was Brunel Healthcare Manufacturing Limited (incorporated in England), and the Company's ultimate parent undertaking was Aland Health Holding Ltd (incorporated in the Cayman Islands), which was also the parent undertaking of the largest group for which the company is a member.

At 31 December 2017 IVC Nutrition Corporation (incorporated in China) was the parent undertaking of the smallest group for which consolidated financial statements were drawn up, and which the company was a member.

Transactions and balances between the Company and its parent company and companies under common control, which are related parties of the Company, are disclosed below.

	At 1 January 2017 £'000	Transaction Flows £'000	At 31 December 2017 £'000
BioCare Limited	(74)	(83)	(157)
Natural Wellbeing Limited	23	10	33
Balance	(51)	(73)	(124)

Details of transactions between the Company and other related parties for the year ended 31 December 2017 and the 9 months ended 31 December 2016, and the outstanding balances at 31 December 2017 and 31 December 2016 are disclosed below.

2017	Sales of Goods/ Services	Purchases of Goods/ Services	Cash (borrowed) /loaned	Interest receivable /(charged)	Amounts released / (charged)	Amounts Owed by Related Parties	Amounts Owed to Related Parties
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
BioCare Limited	-	-	(80)	(3)	-	-	157
Natural Wellbeing Limited	25	-	(15)	-	-	33	-
	25	-	(95)	(3)	-	33	157

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

22. RELATED PARTY TRANSACTIONS AND ULTIMATE CONTROLLING PARTY (CONTINUED)

2016	Sales of Goods/ Services	Purchases of Goods/ Services	Cash (borrowed) /loaned	Interest receivable /(charged)	Amounts released	Amounts Owed by Related Parties	Amounts Owed to Related Parties
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
BioCare Limited	-	-	(70)	(1)	-	-	74
Natural Wellbeing Limited	19	-	4	-	-	23	-
	19	-	(66)	(1)	-	23	74
NutraHealth plc (former Parent Company)	-	-	(7)	(3)	257	-	-
	19	-	(73)	(4)	257	23	74

Related party balances are unsecured and are expected to be settled in cash.

Compensation of key management personnel

The remuneration of directors, who are the key personnel of the Company, is set out in note 10.

23. POST BALANCE SHEET EVENTS

There were no events after the reporting period which require disclosure or which lead to adjustment of the financial statements.