

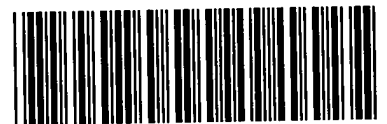
Registered number: 02908777

**CULTECH LTD**

**ANNUAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2014**

WEDNESDAY



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# **CULTECH LTD**

## **COMPANY INFORMATION**

### **DIRECTORS**

Dr N Plummer  
Dr P Quilt  
Dr S F Plummer

### **REGISTERED NUMBER**

02908777

### **REGISTERED OFFICE**

Unit 2 Christchurch Road  
Baglan Industrial Estate  
Port Talbot  
West Glamorgan  
SA12 7BZ

### **INDEPENDENT AUDITORS**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Llys Tawe  
Kings Road  
SA1 Swansea Waterfront  
SWANSEA  
SA1 8PG

## **CULTECH LTD**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014**

The directors present their report and the audited financial statements for the year ended 31 December 2014.

#### **PRINCIPAL ACTIVITIES**

The principal activity of the company is that of the production and distribution of health food supplements.

#### **FINANCIAL PERFORMANCE**

The profit for the financial year amounted to £599,281 (2013 - £1,059,706).

The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2014 (2013 £nil).

#### **DIRECTORS**

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

Dr N Plummer  
Dr P Quilt  
Dr S F Plummer

#### **FUTURE DEVELOPMENTS**

The strategy and future developments in the business are set out in the Strategic Report on page 4.

#### **RESEARCH AND DEVELOPMENT ACTIVITIES**

During the financial year, applied research and development work was directed towards the introduction of improved products, the application of new technology to reduce unit and operating costs and to improve service to customers.

#### **FINANCIAL RISK MANAGEMENT**

The company's operations expose it to a variety of financial risks that include the effects of changes in price risk, credit risk, liquidity risk and interest rate cash flow risk. The company has in place an informal risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs. Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

##### **Price risk**

The company is exposed to commodity price risk as a result of its operations. However, given the size of the company's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature. The company has no exposure to equity securities price risk as it holds no listed or other equity investments.

##### **Credit risk**

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is continually monitored in line with the company's credit control procedures. Credit risk insurance has been evaluated by the directors and has not been deemed cost-effective in the current business climate. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature and the availability of credit insurance on the customer base.

## CULTECH LTD

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

#### Liquidity risk

The company actively utilises short-term and long-term, unsecured and secured debt finance as required that is designed to ensure the company has sufficient funds for operations.

#### Interest rate cash flow risk

The company has both interest bearing assets and interest bearing liabilities. Interest bearing assets comprise only cash balances, which earn interest at fixed and floating rates. Interest bearing liabilities comprise debt at fixed and floating rates.

### STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

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 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 relevant audit information and to establish that the company's auditors are aware of that information.

### INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006. PricewaterhouseCoopers LLP have indicated their willingness to continue in office.

### DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic report, 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 prepared 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 judgements 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.

This report was approved by the board on 8 September 2015 and signed on its behalf.

Director

S.F. PLUMMER

## **CULTECH LTD**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014**

#### **INTRODUCTION**

The directors present their strategic report on the company for the year ended 31 December 2014

#### **BUSINESS REVIEW**

The directors were pleased with the improved performance of the company in the year ended 31 December 2014 as set out in the profit and loss account on page 7. This has seen an improvement in sales to all key territories whilst gross profit margins (2014: 41%) have also improved when compared with those achieved in 2013 (38%). The directors are confident that through the effective application of its strategy the company will continue to trade profitably into the future. Further, the directors are satisfied with the financial position of the company as at 31 December 2014, as set out in the balance sheet on page 9.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to competition from other health and food supplement producers and distributors and employee retention. Business risks are reviewed regularly by the directors and appropriate processes are put in place to monitor and mitigate their impact.

#### **FINANCIAL KEY PERFORMANCE INDICATORS**

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance and position of the business.

#### **STRATEGY AND FUTURE DEVELOPMENTS/OUTLOOK**

The company's strategy is to achieve attractive and sustainable rates of profitability and growth. The company is actively pursuing new and continuing opportunities to sell existing and newly-developed health and food supplements. The company has also sought to increase its customer base, reducing reliance on individual customers, both within the UK and overseas.

This report was approved by the board on *8 September 2015* and signed on its behalf.



**Dr S F Plummer**  
Director

## **CULTECH LTD**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CULTECH LTD**

#### **Report on the financial statements**

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##### **Our opinion**

In our opinion, Cultech Ltd's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
  - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
  - have been prepared in accordance with the requirements of the Companies Act 2006.
- 

##### **What we have audited**

The financial statements comprise:

- the Balance Sheet as at 31 December 2014;
- the Profit and Loss Account for the year then ended;
- the Note of Historical Cost Profits and Losses for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation comprises applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

##### **Opinions on other matter prescribed by the Companies Act 2006**

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

##### **Other matters on which we are required to report by exception**

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###### **Adequacy of accounting records and information and explanations received**

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, 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.

We have no exceptions to report arising from this responsibility.

##### **Directors' remuneration**

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Under the Companies Act 2006 we are required to report if, in our opinion, certain disclosures of directors' remuneration specified by law have not been made. We have no exceptions to report arising from this responsibility.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CULTECH LTD**

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**Responsibilities for the financial statements and the audit**

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**Our responsibilities and those of the directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

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**What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Mark Ellis (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Swansea

Date: 8 September 2015



**CULTECH LTD****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £	2013 £
<b>TURNOVER</b>	2	<b>20,480,699</b>	<b>18,234,071</b>
Cost of sales		<u>(12,029,473)</u>	<u>(11,293,359)</u>
<b>GROSS PROFIT</b>		<b>8,451,226</b>	<b>6,940,712</b>
Net operating expenses	3	<u>(7,596,211)</u>	<u>(5,514,083)</u>
<b>OPERATING PROFIT</b>	4	<b>855,015</b>	<b>1,426,629</b>
Interest payable and similar charges	5	<u>(174,734)</u>	<u>(208,208)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>680,281</b>	<b>1,218,421</b>
Tax on profit on ordinary activities	8	<u>(81,000)</u>	<u>(158,715)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	19	<b><u>599,281</u></b>	<b><u>1,059,706</u></b>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and Loss Account.

The notes on pages 10 to 19 form part of these financial statements.

**NOTE OF HISTORICAL COST PROFITS AND LOSSES  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	<b>2014</b> <b>£</b>	<b>2013</b> <b>£</b>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>680,281</b>	<b>1,218,421</b>
Realisation of valuation gains of previous periods	<b>10,383</b>	<b>10,353</b>
<b>HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>690,664</b>	<b>1,228,774</b>
<b>HISTORICAL COST PROFIT FOR THE YEAR AFTER TAXATION</b>	<b>609,664</b>	<b>1,070,059</b>

The notes on pages 10 to 19 form part of these financial statements.

**CULTECH LTD**  
**REGISTERED NUMBER: 02908777**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2014**

	Note	£	2014 £	£	2013 £
<b>FIXED ASSETS</b>					
Intangible assets	9		37,576		91,260
Tangible assets	10		2,433,180		1,997,070
			<u>2,470,756</u>		<u>2,088,330</u>
<b>CURRENT ASSETS</b>					
Stocks	11	3,537,005		3,087,902	
Debtors: amounts falling due after more than one year	12	-		282,861	
Debtors: amounts falling due within one year	12	5,796,490		4,471,412	
Cash at bank and in hand		-		163,965	
			<u>9,333,495</u>	<u>8,006,140</u>	
<b>CREDITORS: amounts falling due within one year</b>	13	<b>(5,878,281)</b>		<b>(5,160,239)</b>	
<b>NET CURRENT ASSETS</b>			<b>3,455,214</b>		<b>2,845,901</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>5,925,970</b>		<b>4,934,231</b>
<b>CREDITORS: amounts falling due after more than one year</b>	14		<b>(1,001,260)</b>		<b>(657,724)</b>
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred tax	15		<b>(181,923)</b>		<b>(133,001)</b>
<b>NET ASSETS</b>			<b>4,742,787</b>		<b>4,143,506</b>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		83,600		83,600
Share premium account	19		671,500		671,500
Revaluation reserve	19		433,921		444,304
Profit and loss account	19		3,553,766		2,944,102
<b>Total shareholders' funds</b>	20		<b>4,742,787</b>		<b>4,143,506</b>

The financial statements on pages 7 to 19 were approved and authorised for issue by the board and were signed on its behalf on *8 September 2015*

Director

*S.F. PLUMMER*

The notes on pages 10 to 19 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared on the going concern basis, under the historical cost convention as modified by the revaluation of certain tangible fixed assets and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. A summary of the more important accounting policies of the company, which have been applied consistently, is set out below.

**1.2 Cash flow statement and related party disclosure**

The company is a wholly owned subsidiary of NSJL Limited and is included in the consolidated financial statements of NSJL Limited which are publicly available (see note 23). Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1. The company is also exempt under the terms of FRS8 from disclosing related party transactions with entities that are part of the NSJL Limited group or investees of the NSJL group

**1.3 Tangible fixed assets**

Tangible fixed assets are stated at cost or valuation less accumulated depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% reducing balance
Plant, machinery, fixtures and fittings	-	10 -20% straight line
Motor vehicles	-	20% reducing balance
Improvements to freehold property	-	10% reducing balance

A policy of revaluation has been adopted in respect of freehold property. Other classes of tangible fixed assets are stated at historical cost less accumulated depreciation.

The directors undertake reviews of the carrying value of fixed assets when trigger events occur and make such provisions for impairment as they consider necessary.

**1.4 Stocks**

Stock is stated at the lower of cost and net realisable value with due allowance made for any obsolescence or slow moving items. In general, cost is determined on a first in first out basis. Overheads are included in the cost of stock to the extent that the company has undertaken processes to add value to the raw material stock.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**1. ACCOUNTING POLICIES (continued)**

**1.5 Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at that date.

A net deferred tax asset is recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be sustainable taxable profits against which to recover carried forward tax losses and/or from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non discounted basis.

**1.6 Finance and operating leases**

Costs in respect of operating leases are charged on a straight line basis over the lease term. Leasing agreements, which transfer to the company substantially all the benefits and risks of ownership of an asset, are treated as if the asset had been purchased outright. The assets are included in the fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.

**1.7 Research and development**

Expenditure on research and development is charged to the profit and loss account during the period it is incurred, with the exception of expenditure on the development of certain major new product projects where the outcome of these projects is assessed as being reasonably certain as regards viability and technical feasibility. Such expenditure is capitalised and amortised over a period commensurate with the economic life of the product commencing in the first period commercial sales are made. The directors undertake reviews of the carrying value of such intangible fixed assets when trigger events occur and make such provisions for impairment as they consider necessary.

**1.8 Pension costs**

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 year.

**1.9 Turnover**

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

**1.10 Government grants**

Capital grants are credited to a deferred capital grant account and then released to the profit and loss account over the useful economic lives of the assets to which they relate. Other grants are credited to the profit and loss account in the period in which the cost is incurred.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014****2. TURNOVER**

The turnover and profit on ordinary activities before taxation are attributable to the one principal activity of the company.

A geographical analysis of turnover is as follows:

	2014 £	2013 £
United Kingdom	10,798,458	10,027,920
Europe & North America	8,321,605	6,300,485
Other	1,360,636	1,905,666
	<u>20,480,699</u>	<u>18,234,071</u>

**3. NET OPERATING EXPENSES**

Net operating expenses are made up as follows:

	2014 £	2013 £
Distribution costs	121,735	62,354
Administrative expenses	7,474,476	5,451,729
	<u>7,596,211</u>	<u>5,514,083</u>

**4. OPERATING PROFIT**

The operating profit is stated after charging:

	2014 £	2013 £
Amortisation - intangible fixed assets	53,684	53,684
Depreciation of tangible fixed assets:		
- owned by the company	90,112	219,708
- held under finance leases	204,905	7,175
Auditors' remuneration - audit	22,750	20,000
Auditors' remuneration - non-audit - taxation services	10,000	3,500
Operating lease rentals:		
- plant and machinery	135,477	88,574
- other operating leases	107,577	109,051
	<u>704,508</u>	<u>401,692</u>

**5. INTEREST PAYABLE AND SIMILAR CHARGES**

	2014 £	2013 £
On bank loans and overdrafts	170,140	206,121
On finance leases and hire purchase contracts	4,594	2,087
	<u>174,734</u>	<u>208,208</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**6. EMPLOYEE INFORMATION**

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

	2014 £	2013 £
Wages and salaries	3,243,410	2,845,064
Social security costs	683,691	228,252
Other pension costs	79,924	36,948
	<u>4,007,025</u>	<u>3,110,264</u>

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

	2014 No.	2013 No.
	<u>169</u>	<u>137</u>

**7. DIRECTORS' EMOLUMENTS**

	2014 £	2013 £
Aggregate emoluments, pension contribution and benefits in kind	<u>37,375</u>	<u>48,208</u>

**8. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	2014 £	2013 £
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on profit for the financial year	31,000	159,707
Adjustments in respect of prior periods	1,078	421
<b>Total current tax</b>	<u>32,078</u>	<u>160,128</u>
<b>Deferred tax</b> (see note 15)		
Origination and reversal of timing differences	48,922	(1,413)
<b>Tax on profit on ordinary activities</b>	<u>81,000</u>	<u>158,715</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**8. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 21.50% (2013 - 23.25%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	<u>680,281</u>	<u>1,218,421</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.50% (2013 - 23.25%)	146,260	283,283
<b>Effects of:</b>		
Expenses not deductible for tax purposes	67,987	56,865
Accelerated capital allowances and other timing differences	(60,356)	(20,316)
Income not taxable for tax purposes	(122,891)	(73,864)
Adjustments in respect of prior periods	1,078	421
Group relief	-	(86,261)
<b>Current tax charge for the year (see note above)</b>	<u><u>32,078</u></u>	<u><u>160,128</u></u>

**9. INTANGIBLE ASSETS**

	Goodwill £
<b>Cost</b>	
At 1 January 2014 and 31 December 2014	<u>536,837</u>
<b>Accumulated amortisation</b>	
At 1 January 2014	445,577
Charge for the year	53,684
At 31 December 2014	<u>499,261</u>
<b>Net book value</b>	
At 31 December 2014	<u><u>37,576</u></u>
At 31 December 2013	<u><u>91,260</u></u>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**10. TANGIBLE ASSETS**

	Freehold property £	Improvement to freehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
<b>Cost or valuation</b>						
At 1 January 2014	1,105,000	914,209	1,781,023	11,213	27,521	3,838,966
Additions	-	33,763	626,685	38,897	31,782	731,127
At 31 December 2014	1,105,000	947,972	2,407,708	50,110	59,303	4,570,093
<b>Accumulated depreciation</b>						
At 1 January 2014	85,783	634,379	1,093,774	7,538	20,422	1,841,896
Charge for the year	20,384	52,077	204,905	4,311	13,340	295,017
At 31 December 2014	106,167	686,456	1,298,679	11,849	33,762	2,136,913
<b>Net book value</b>						
At 31 December 2014	998,833	261,516	1,109,029	38,261	25,541	2,433,180
At 31 December 2013	1,019,217	279,830	687,249	3,675	7,099	1,997,070

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2014 £	2013 £
Plant and machinery	-	81,117

The freehold land and buildings are carried in the financial statements based on a valuation undertaken during 2010. This valuation was carried out by Lambert Smith Hampton, a firm of independent chartered surveyors. The valuation applied in the financial statements is based on value in use.

The historical cost and accumulated depreciation of the freehold land and buildings can be summarised as follows:

	2014 £	2013 £
Cost	671,347	671,347
Accumulated depreciation	(160,379)	(149,507)
Total	510,968	521,840

**CULTECH LTD****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014****11. STOCKS**

	2014 £	2013 £
Raw materials	1,881,367	1,148,747
Work in progress	1,069,214	1,193,855
Finished goods and goods for resale	586,424	745,300
	<u>3,537,005</u>	<u>3,087,902</u>

The current replacement cost of stocks is not significantly different from the balance sheet value.

**12. DEBTORS**

	2014 £	2013 £
<b>Amounts falling due after more than one year</b>		
Amounts owed by group undertakings	-	282,861
	<u>-</u>	<u>282,861</u>
<b>Amounts falling due within one year</b>		
Trade debtors	3,486,474	3,237,636
Amounts owed by group undertakings	1,407,471	909,612
Prepayments and accrued income	111,845	324,164
Other debtors	790,700	-
	<u>5,796,490</u>	<u>4,471,412</u>

**13. CREDITORS:****Amounts falling due within one year**

	2014 £	2013 £
Bank loans and overdrafts (see below)	160,504	135,494
Net obligations under finance leases and hire purchase contracts	90,259	22,464
Trade creditors	2,441,478	2,339,006
Corporation tax	31,000	159,707
Other taxation and social security	95,274	75,902
Directors' loans	44,223	99,750
Invoice factoring loan	2,359,014	1,483,635
Accruals and deferred income	656,529	844,281
	<u>5,878,281</u>	<u>5,160,239</u>

The bank loans and overdrafts are secured by legal charges over the assets of the company.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**14. CREDITORS:**

**Amounts falling due after more than one year**

	2014 £	2013 £
Bank loans and overdrafts (see (i) below)	526,813	617,386
Net obligations under finance leases and hire purchase contracts (see (ii) below)	282,929	40,338
Grants received	191,518	-
	<u>1,001,260</u>	<u>657,724</u>

(i) Included within the above are amounts falling due as follows:

	2014 £	2013 £
<b>Between one and two years</b>		
Bank loans	<u>135,494</u>	<u>135,494</u>
<b>Between two and five years</b>		
Bank loans	<u>391,319</u>	<u>406,481</u>
<b>Over five years</b>		
Bank loans	<u>-</u>	<u>75,411</u>

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

	2014 £	2013 £
Repayable by instalments	<u>-</u>	<u>75,411</u>

The bank loans and overdrafts are secured by legal charges over the assets of the company.

(ii) Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2014 £	2013 £
Between one and five years	<u>282,929</u>	<u>40,338</u>

**15. DEFERRED TAX**

In accordance with the accounting policy in note 1 and on the basis of the projected movements in tangible fixed assets, amounts provided in respect of deferred tax and the amounts un-provided are set out below

	2014 £	2013 £
At beginning of year	133,001	134,414
Charge for/(released during) year	48,922	(1,413)
At end of year	<u>181,923</u>	<u>133,001</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**15. DEFERRED TAX (continued)**

The provision for deferred taxation is made up as follows:

	2014 £	2013 £
Accelerated capital allowances	181,923	134,221
Short term timing losses	-	(1,220)
	<u>181,923</u>	<u>133,001</u>

**16. PENSION SCHEME**

The company operates a defined contribution pension scheme in respect of its employees. Contributions made in the year by the company amounted to £79,924 (2013 £36,948). At the year end there was an amount outstanding of £8,679 (2013: £5,942) in respect of the scheme.

**17. OPERATING LEASE COMMITMENTS**

At 31 December the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			
	2014 £	2013 £	2014 £	Other 2013 £
<b>Expiry date:</b>				
Between 2 and 5 years	7,900	7,900	-	3,146
After more than 5 years	<u>87,500</u>	<u>87,500</u>	<u>-</u>	<u>-</u>

**18. CALLED UP SHARE CAPITAL**

	2014 £	2013 £
<b>Allotted, called up and fully paid</b>		
167,200 (2013: 167,200) ordinary shares of £0.50 each	<u>83,600</u>	<u>83,600</u>

**19. RESERVES**

	Share premium account £	Revaluation reserve £	Profit and loss account £
At 1 January 2014	671,500	444,304	2,944,102
Profit for the financial year			599,281
Transfer between revaluation reserve and profit and loss account		(10,383)	10,383
At 31 December 2014	<u>671,500</u>	<u>433,921</u>	<u>3,553,766</u>

**CULTECH LTD****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014****20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2014 £	2013 £
Opening shareholders' funds	4,143,506	3,083,800
Profit for the financial year	599,281	1,059,706
	<hr/>	<hr/>
Closing shareholders' funds	<u>4,742,787</u>	<u>4,143,506</u>

**21. CAPITAL EXPENDITURE**

At 31 December 2014 the company was committed to £Nil of capital expenditure (2013: £Nil).

**22. RELATED PARTY TRANSACTIONS**

In accordance with the exemption afforded by FRS 8 "Related Party Transactions" there is no disclosure in these financial statements of transactions with entities that are wholly owned subsidiaries of the NSJL group.

During the year ended 31 December 2014 the company undertook transactions with the following entities which are related by virtue of a common directorship/shareholding.

	Sales Year to 31/12/14 £	Sales Year to 31/12/13 £	Purchases Year to 31/12/14 £	Purchases Year to 31/12/13 £	Debtors 31/12/14 £	Creditors 31/12/14 £
Lifelong Nutrition Inc	5,764,105	3,852,150	-	-	614,540	-
Obsidian Research Limited	-	109,633	-	430,751	-	-

**23. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The company is a wholly owned subsidiary of NSJL Limited, a company incorporated in the United Kingdom. NSJL Limited is the ultimate parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of NSJL Limited are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

The directors consider Dr N Plummer and Dr S F Plummer to be the ultimate controlling party through their controlling interests in the share capital of NSJL Limited.