

RAPID NUTRITION PLC

FINANCIAL STATEMENTS

30 JUNE 2013

RAPID NUTRITION PLC

FINANCIAL STATEMENTS

FOR THE PERIOD 11 JANUARY 2012 TO 30 JUNE 2013

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RAPID NUTRITION PLC

CORPORATE DIRECTORY

Directors	S St Ledger V Nateshan M Sinclair
Company Secretary	D Mahon
Company registration number	07905640
Registered office	2 nd Floor 145-157 St. John Street London England EC1V 4PW
Auditor	KSI (WA) Level 1 1304 Hay St West Perth WA 6005 Australia
Domicile of the company	United Kingdom
Country of incorporation	England and Wales
Legal form of entity	Public Limited Company
GXG Code	RNL

RAPID NUTRITION PLC

DIRECTORS REPORT

AS AT 30 JUNE 2013

The Directors presents their report and financial statements of Rapid Nutrition PLC and its controlled entity ('the Group') for the period ended 30 June 2013.

Principal activity

Rapid Nutrition is a natural healthcare company focused on the research, development and production of a range of life science products.

The company was established on the back of its successful and proven weight loss supplement range which is exported worldwide, and now offers consumers a growing range of health and wellbeing solutions to meet existing and emerging societal health concerns, as well as a providing number of wider services to the life sciences industry.

Review of the business, performance & position

This period has seen Rapid Nutrition take a significant step forward by converting to a public company which has been successfully admitted to the GXG Stock Exchange. As part of the listing process the company has also implemented a high level of corporate compliance by engaging and assembling an experienced corporate team, board of directors and advisors as well as an independent company secretary. These are all essential elements for laying a strong foundation for the company's future success and overall global growth strategy.

By putting in place the necessary infrastructure of a new public company has resulted in the company incurring significantly more expenses 'above and beyond' its normal operational costs. Added to this the company has been in the research and development stage over the past 12 months for its new System LS™ lifestyle range which will be launched in the US and Australia in October 2013.

Rapid Nutrition also incurred a significant logistics hurdle with its Asia operations where FDA requirements for natural healthcare products changed, just after the company had shifted its manufacturing to the US and completed a large production run for Asia. This was a major set back in the company's anticipated revenue for the period, with the company having to hold back several thousand customer inquiries and anticipated orders in Asia as a result. The company is currently working through the process and has put in place several 'risk management' procedures to ensure this is avoided in any future production.

Whilst the board acknowledges the annual accounts may not reflect strong results, the board also firmly believes that the annual accounts are not a meaningful performance indicator of the foundation which has been laid over the past 12 months and what lays ahead over the next 12 months.

Principal Risks and Uncertainties

The principal risks the company faces relate to a) the regulatory requirements in each country to which it exports and b) cash flow. If those regulations change, the company will need to quickly adapt its product formulations to ensure compliance and facilitate continuing sales. At this stage, because Australia operates very stringent policies on all products, the company does not view this as very likely to occur, but have nonetheless recognised the potential risk.

Cashflow is another principal risk as, while the company is in its growth phase, revenues are low vs. costs. However, the company has support from its shareholders for funding and is anticipating sales growth in the coming year to improve cashflow substantially.

RAPID NUTRITION PLC

DIRECTORS REPORT

AS AT 30 JUNE 2013

Consideration of future developments likely to affect performance & position of the Group

The board has been highly active over the past 12 months ensuring key milestones are achieved as announced to the market place. As a result, a strong foundation has been laid that will result in a significant impact on the performance and positioning of the company over the next 12 months.

These performance indicators are based on the following which has been successfully secured:

- 5 year distribution contract in Turkey (approximate value AUD\$5 million)
- Unanimously approved for a US government grant to establish US headquarters (value USD\$8 million) which the company has the option to utilise if it deems favourable.
- Secured an institutional investment agreement with Jenepé Asset Management to assist in increasing deal flow for the company.
- Completed R&D on its new science-based health supplements product line, which has attracted a significant interest from major retailers, resulting in the company securing distribution through Australia's largest supermarket retailer which will add substantial revenue for the company over the next 12 months. The board anticipates a similar result for the US market launch.
- The company has also formalised a USD\$10 million media agreement to supports its US launch.

All these milestones further validates the company and shows the company's continued commitment in the eyes of its employees, customers, shareholders, partners and future investors.

Furthermore the newly expanded product portfolio along with the secured media spend strengthens the company's product position in the market place to outside parties such as distributors, suppliers and retailers.

Furthermore the media is expected to drive shareholder value through additional sales, strategic partnerships and market pace awareness.

Directors

The Directors who served the Group during the period are as follows:

Mr Simon St Ledger
Mr Vaidyanathan Nateshan
Mr Malcolm Sinclair
Mr Richard Walker (resigned 19 July 2012)

All directors were in office for the entire period unless otherwise disclosed.

Company Secretary

The following served as Company Secretary during the period:

Mr Richard Walker (resigned 19 July 2012)
London Registrars PLC (appointed 19 July 2012, resigned 2nd September 2013)
Mr David Mahon (appointed 12 August 2013)

RAPID NUTRITION PLC

DIRECTORS REPORT

AS AT 30 JUNE 2013

Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial period, for any person who is or has been an officer or auditor of the consolidated group.

Proceedings on Behalf of the Group

No person has applied for leave of court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

The Group was not a party to any such proceedings during the period.

Remuneration Report (audited)

Policy & Practice

The Group operates on a strictly 'capital efficient' approach and therefore directors remuneration has been based on conservative market matching rates in order to act in the best interest of the company during the company's growth phase. At this time, outside of existing shareholdings, there are no performance components included in directors remuneration. Given the limited size of the group, no separate remuneration committee has been formed by the board.

Contracts

Directors' remuneration in its various forms was agreed by Board resolution, not formalised by contracts at this stage, and these arrangements will continue until re-visited by either party. Thus, there has been no specification of termination benefits for directors at this time.

Amount of emoluments & compensation

	<i>Salary</i>	<i>Superannuation</i>	<i>Consultancy Fees</i>	<i>Total</i>
Simon St Ledger ^{1 2}	212,500	25,476	-	237,976
Vaidyanathan Nateshan	-	-	30,048	30,048
Malcolm Sinclair ²	-	-	77,050	77,050

¹ – Simon St Ledger's employment terms, as formalised by board resolution, specify a salary of \$150,000 per year. During the period 11 January 2012 – 30 June 2013, only \$111,906 was paid. The remainder is outstanding at the period end.

² – These directors have been provided with the use of vehicles owned by the consolidated entity for their personal use. Mr St Ledger's vehicle was acquired during the period for \$55,718, while Mr Sinclair's vehicle was acquired during the period for \$50,459.

End of audited section.

RAPID NUTRITION PLC

DIRECTORS REPORT

AS AT 30 JUNE 2013

Directors' responsibilities

The Directors are responsible for preparing 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 or period. Under that law the Directors have elected to prepare the financial statements in accordance with applicable United Kingdom law and those International Financial Reporting Standards ("IFRS") 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 Group and of the profit or loss of the Group 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 the financial statements have been prepared in accordance with IFRS as adopted by the European Union;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Directors' statement as to disclosure of information to the auditor

The Directors at the date of approval of this report confirm that:

- to the best of their knowledge and belief, there is no relevant audit information of which the Group's auditor is unaware; and
- the Directors have taken all the steps that that might reasonably be expected to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

On behalf of the Board



S St Ledger

Director

7 October 2013

We have audited the consolidated financial statements of Rapid Nutrition PLC on pages 8 to 34 for the period ended 30 June 2013. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 the directors and auditors

As explained more fully in the Director's Responsibilities Statement on page 5, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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. In addition, we read all financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 30 June 2013 and of its profit for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – Inherent uncertainty regarding continuation as a going concern

Without modifying our opinion, we draw attention to Note 1.2 in the financial statements, which indicates that the group incurred expenses of \$1,268,458 during the year, but only has cash at 30 June 2013 of \$13,274. Given those noted findings, we believe that the group's ability to continue as a going concern is dependent on the group securing additional funding through shareholder loans, entering into negotiations with third parties regarding the sale of assets of the Group, or successful realisation of revenue growth via the Group's plans to launch their new product lines in the coming year.

RAPID NUTRITION PLC
INDEPENDENT AUDITORS' REPORT
AS AT 30 JUNE 2013



Emphasis of matter, continued...

As a result, there is a material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Our opinion is not qualified in respect of this matter.

Remuneration Report

We have audited the remuneration report, shown on page 4 of the directors' report, for the period ended 30 June 2013. The directors of the Group are responsible for the preparation and presentation of the Remuneration Report in accordance with section 421 of the *Companies Act 2006*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit, in accordance with section 497 of the *Companies Act 2006*.

Opinion on Remuneration Report

In our opinion, the Remuneration Report complies with the requirements of section 421 of the *Companies Act 2006*.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

A handwritten signature in black ink that reads "Nicholas Hollens". The signature is written in a cursive, flowing style.

Nicholas Hollens – Senior Statutory Auditor
For and on behalf of KSI (WA) – Statutory Auditors
1304 Hay St
West Perth WA 6005
Australia

Date: 7 October 2013

RAPID NUTRITION PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AS AT 30 JUNE 2013

	Note	Period from 11 January 2012 to 30 June 2013 \$	Period from 1 February 2011 to 10 January 2012 \$
Revenue	4	474,897	60,015
Cost of sales			
Opening inventory		(33,623)	(33,623)
Direct costs		(451,001)	(13,532)
Closing inventory		160,967	33,623
Gross profit		151,240	46,483
Gain on foreign exchange		329,634	-
Administrative expenses		(817,466)	(50,456)
Operating loss	5	(336,592)	(3,973)
Unrealised gain on financial assets		2,835,585	-
Profit/(loss) before tax		2,498,993	(3,973)
Tax expense	7	(728,000)	-
Net profit/(loss) for the period attributable to members of the Company		1,770,993	(3,973)
Other comprehensive income		-	-
Total comprehensive income for the period attributable to members of the Company		1,770,993	(3,973)
Basic & diluted earnings per share	27	0.01	

All of the activities of the Group are classed as continuing.

All of the total comprehensive income for the period is attributable to the owners of the Group.

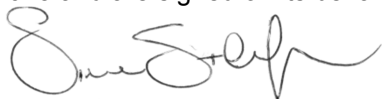
RAPID NUTRITION PLC

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2013

	Note	30 June 2013 \$	10 January 2012 \$
Current assets			
Cash and cash equivalents	11	13,274	-
Trade and other receivables	10	353,803	371
Inventory	12	160,967	33,623
Financial assets	13	3,165,218	-
Other assets	14	576,687	-
Total current assets		4,269,949	35,994
Non-current assets			
Property, plant and equipment	8	78,947	4,509
Intangible assets	9	2,105	-
Total non-current assets		81,052	4,509
Total assets		4,351,001	38,503
Current liabilities			
Trade and other payables	15	276,811	68,361
Borrowings	17	1,014,876	4,656
Current tax liabilities	16	728,000	-
Other payables		568	2,944
Total current liabilities		2,020,255	75,961
Non-current liabilities			
Borrowings	18	75,891	-
Total non-current liabilities		75,891	-
Total liabilities		2,096,146	75,961
Net assets		2,254,855	(37,458)
Equity			
Shares	19	26,972,594	373,863
Merger reserve		(26,077,411)	-
Retained earnings	20	1,359,672	(411,321)
Total equity and reserves		2,254,855	(37,458)

These financial statements were approved and authorised for release by the Directors on 7 October 2013 and are signed on its behalf by:



S St Ledger
Director

Company registration number: 07905640

RAPID NUTRITION PLC

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD 11 JANUARY 2012 TO 30 JUNE 2013

	Ordinary Share Capital \$	Merger Reserve \$	Retained Earnings \$	Total Equity \$
Opening balance 1 February 2011	318,477	-	(415,294)	(96,817)
Comprehensive income				
Profit for the period	-	-	3,973	3,973
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	3,973	3,973
Transactions with owners, in their capacity as owners				
Share for share exchange on acquisition of the subsidiary	-	-	-	-
Shares issued during the period	57,277	-	-	57,277
Shares issued cost	(1,891)	-	-	(1,891)
Balance as at 10 January 2012	373,863	-	(411,321)	(37,458)

RAPID NUTRITION PLC

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD 11 JANUARY 2012 TO 30 JUNE 2013

	Ordinary Share Capital \$	Merger Reserve \$	Retained Earnings \$	Total Equity \$
Opening balance 11 January 2012	373,863	-	(411,321)	(37,458)
Comprehensive Income				
Profit for the period	-	-	1,770,993	1,770,993
Total comprehensive income for the period	-	-	1,770,993	1,770,993
Transactions with owners, in their capacity as owners				
Share for share exchange on acquisition of the subsidiary	26,077,411	(26,077,411)	-	-
Shares issued during the period	576,695	-	-	576,695
Shares issued cost	(55,375)	-	-	(55,375)
Balance as at 30 June 2013	26,972,594	(26,077,411)	1,359,672	2,254,855

RAPID NUTRITION PLC

STATEMENT OF CASH FLOWS

FOR THE PERIOD 11 JANUARY 2012 TO 30 JUNE 2013

	Note	Period from 11 January 2012 to 30 June 2013 \$	Period from 1 February 2011 to 10 January 2012 \$
Cash flows from operating activities			
Receipts from customers		121,464	60,552
Payments to suppliers and employees		(1,015,412)	(58,477)
Net cash used by operating activities	23	(893,948)	2,075
Cash flows from investing activities			
Purchase of plant and equipment	8	(8,525)	-
Payments for intangibles		(2,105)	-
Net cash used by investing activities		(10,630)	-
Cash flows from financing activities			
Proceeds from issue of shares		-	57,277
Costs of issue of shares		(55,375)	(1,891)
Proceeds from borrowings		985,988	-
Proceeds from related party borrowings		-	(71,645)
Net cash used by financing activities		930,613	(16,259)
Increase/(decrease) in cash and cash equivalents		26,035	(14,184)
Cash and cash equivalents at the beginning of the period		(12,761)	1,423
Cash and cash equivalents at the end of the period	11, 15	13,274	(12,761)

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 11 JANUARY 2012 TO 30 JUNE 2013

The consolidated financial statements and notes represent those of Rapid Nutrition PLC and its subsidiary ("the consolidated group" or "group"). The consolidated financial statements have been prepared for the period 11 January 2012 to 30 June 2013 to reflect Rapid Nutrition PLC's first financial period following incorporation. Comparative figures for the period 1 February 2011 to 10 January 2012 have been included as the group has chosen to adopt the pooling of interests method to account for the merger of Rapid Nutrition PLC and its subsidiary.

1. Significant accounting policies

1.1 Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements are drawn up under the historical cost convention.

IFRS, issued by the International Accounting Standards Board (IASB) set out accounting policies that the IASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

1.2 Going concern

This report has been prepared on the going concern basis, which contemplates the continuation of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

For the period ended 30 June 2013, the Group had a cash balance of \$13,274 while it incurred expenses during the period of \$1,268,458. The Directors believe there are sufficient funds to meet the Group's working capital requirements for the coming year.

However, the Directors recognise that the ability of the Group to continue as a going concern and to pay its debts as and when they fall due may be dependent on the ability of the Group to secure additional funding through shareholder loans, entering into negotiations with third parties regarding the sale of assets of the Group, or successful realisation of revenue growth via their plans for successful launch of their new product lines.

Given the current cash position, there is uncertainty about whether the Group can continue as a going concern.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that may be necessary should the Group be unable to continue as a going concern.

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 11 JANUARY 2012 TO 30 JUNE 2013

1.3 Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Rapid Nutrition PLC at the end of the reporting period. A controlled entity is any entity over which Rapid Nutrition PLC has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In preparing the consolidated financial statements, all intragroup balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

In the company statement of financial position investment in subsidiaries is accounted for at the nominal value of the shares issued on acquisition.

Pooling of Interests on Incorporation of Parent Entity

On incorporation of the entity, subsidiaries have been consolidated using the pooling of interests method on the basis that the entities being combined are ultimately controlled by the same parties, both before and after the combination.

Under this method the assets and liabilities of the acquiree are recorded at book value and intangible assets and contingent liabilities are only recognised if they were previously recognised by the acquiree. No goodwill is recorded and expenses of the combination are written off immediately in profit or loss.

Subsequent Business Combination

Business combinations occur where an acquirer obtains control over one or more businesses. A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exceptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations are expensed to the statement of comprehensive income. The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

1.4 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the group's activities, as described below. The group bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 11 JANUARY 2012 TO 30 JUNE 2013

Sales of goods – wholesale

The group manufactures and sells a range of life science (including weight loss) products in the wholesale market. Sales of goods are recognised when a group entity has delivered products to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery does not occur until the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the group has objective evidence that all criteria for acceptance have been satisfied. The life science products are often sold with volume discounts; customers have a right to return faulty products in the wholesale market. Sales are recorded based on the price specified in the sales contracts, net of the estimated volume discounts and returns at the time of sale. Accumulated experience is used to estimate and provide for the discounts and returns. The volume discounts are assessed based on anticipated annual purchases.

Internet revenue

Revenue from the provision of the sale of goods on the internet is recognised at the point that the risks and rewards of the inventory have passed to the customer, which is the point of dispatch. Transactions are settled by credit or payment card. Provisions are made for internet credit notes based on the expected level of returns, which in turn is based upon the historical rate of returns.

1.5 Finance income

Interest income is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

1.6 Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and 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, on the following bases:

Computer equipment	30%
Motor vehicles	20%
Fixture, fittings and equipment	30%

1.7 Intangible Assets

Trademarks and licences

Separately acquired trademarks and licences are shown at historical cost. Trademarks and licences acquired in a business combination are recognised at fair value at the acquisition date. Once utilisation commences, trademarks and licences have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives of 15 to 20 years.

1.8 Research and Development

Research costs are not viewed as separable from development costs. As such, all of these costs are expensed as incurred.

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 11 JANUARY 2012 TO 30 JUNE 2013

1.9 Financial Assets

Classification

The group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the balance sheet.

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'other (losses)/gains – net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the group's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income. When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'gains and losses from investment securities'.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement as part of finance income. Dividends on available-for-sale equity instruments are recognised in the income statement as part of other income when the group's right to receive payments is established.

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 11 JANUARY 2012 TO 30 JUNE 2013

1.10 Cash & Cash Equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the consolidated balance sheet, bank overdrafts are shown within borrowings in current liabilities.

1.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Costs of inventories include the transfer from equity of any gains/losses on qualifying cash flow hedges for purchases of raw materials.

1.12 Trade Receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

1.13 Trade Payables

Trade and other payables are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services. They are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method. Current liabilities represent those amounts falling due within one year.

1.14 Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable and payable. The net amount of GST recoverable from, or payable to, the ATO is included with the receivables or payables in the statement of financial position.

1.15 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 11 JANUARY 2012 TO 30 JUNE 2013

1.16 Income Tax

Income tax expense or benefit represents the sum of current corporation tax payable and provision for deferred income taxes.

Current income tax payable is based on taxable profit for the period or year. Taxable profit differs from net 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 Group's liability for current corporation tax is calculated using tax rates and laws that have been enacted or substantively enacted at the period-end date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the date of the statement of financial position where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the Directors consider that it is probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the period-end date.

1.17 Foreign Currencies

Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of the transactions.

Foreign currency monetary assets and liabilities at the reporting date are translated at the exchange rate existing at the reporting date. Exchange differences are recognised in the statement of comprehensive income in the period in which they arise.

1.18 Contributed Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the Company reacquires its own equity instruments, e.g. as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 11 JANUARY 2012 TO 30 JUNE 2013

1.19 Segment Reporting

Operating segments were reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

1.20 New Accounting Standards for Application in Future Periods

(a) New and amended standards adopted by the group

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial period beginning on 11 January 2012 that would be expected to have a material impact on the group.

(b) New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2013, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the financial statements of the group, except the following set out below:

IAS 27 Separate Financial Statements (as revised in 2011). As a consequence of the new IFRS 10 and IFRS 12 (refer below), what remains in IAS 27 is limited to accounting for subsidiaries, joint arrangements and associates in separate financial statements. The group has not yet evaluated the impact of this change for their forthcoming accounting period.

IAS 28 Investments in Associates and Joint Ventures (as revised in 2011). As a consequence of the new IFRS 11 and IFRS 12, IAS 28 has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. This amendment will have no impact on the Group, as it does not have joint ventures. The revised standard is effective for annual periods beginning on or after 1 January 2013.

IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP.

IAS 19, 'Employee benefits', was amended in June 2011. The impact on the group will be as follows: to immediately recognise all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset). The group is yet to assess the full impact of the amendments.

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: 1) those measured as at fair value and 2) those measured at amortised cost. The determination is made at initial recognition.

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 11 JANUARY 2012 TO 30 JUNE 2013

The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The group is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on or after 1 January 2015. The group will also consider the impact of the remaining phases of IFRS 9 when completed by the Board.

IFRS 10, Consolidated financial statements', builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent group. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The group is yet to assess IFRS 10's full impact and intends to adopt IFRS 10 no later than the accounting period beginning on or after 1 January 2013.

IFRS 11 Joint Arrangements IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. The group is currently assessing the impact that this standard will have on the financial position and performance. This standard is effective for annual periods beginning on or after 1 January 2013.

IFRS 12, 'Disclosures of interests in other entities', includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The group is yet to assess IFRS 12's full impact and intends to adopt IFRS 12 no later than the accounting period beginning on or after 1 January 2013. There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the group.

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 11 JANUARY 2012 TO 30 JUNE 2013

2. Parent Information

In accordance with section 408 of the UK Companies Act 2006, the company is availing itself of the exemption from presenting its individual statement of profit or loss and other comprehensive income. The company's profit / (loss) for the financial period as determined in accordance with IFRS's is \$2,835,585. The company had no cashflow in the period, and therefore no cashflow statement has been prepared.

	30 June 2013
	\$
<hr/>	
Statement of Financial Position	
<i>Non-Current Assets</i>	
Investment in subsidiaries	26,509,688
<i>Current Assets</i>	
Investments	3,165,218
Other Assets	576,687
Total Assets	30,251,593
 <i>Current Liabilities</i>	 -
<i>Non-Current Liabilities</i>	-
Total Liabilities	-
 Issued Capital	 27,086,383
Reserves	329,625
Retained Earnings	2,835,585
Total Equity	30,251,593

Guarantees

Rapid Nutrition PLC has not entered into any guarantees, in the financial period, in relation of the debts of its subsidiary.

Contingent Liabilities

At 30 June 2013, Rapid Nutrition PLC did not have any contingent liabilities.

Contractual Commitments

At 30 June 2013, Rapid Nutrition PLC had not entered into any contractual commitments for the acquisition of property, plant or equipment.

Consolidation of subsidiaries

Following the incorporation of Rapid Nutrition PLC, Rapid Nutrition Pty Ltd was acquired through a share for share exchange. The subsidiary has been consolidated using the pooling of interest method on the basis that the entities being combined are ultimately controlled by the same parties, both before and after the combination. Under this method the assets and liabilities of the acquiree are recorded at book values and intangible assets and contingent liabilities are only recognised if they were previously recognised by the acquiree. No goodwill is recorded and expenses of the combination are immediately written off in the profit or loss.

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 11 JANUARY 2012 TO 30 JUNE 2013

2. Parent Information (continued)

	Net Assets Acquired \$
The carrying value of the subsidiary's net assets at the date of combination were as follows:	
Rapid Nutrition Pty Ltd	20,956

The shares in Rapid Nutrition Pty Ltd were exchange for 226,947,077 Ordinary £0.10 shares in Rapid Nutrition PLC.

3. Operating Segments

Operating segments must be identified on the basis of internal reports about components of the consolidated entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

As a new group, currently in its growth phase, the Board (the group's chief operating decision maker) believe that, at 30 June 2013, there was only one business segment, the life science and health food products market.

The revenue and results of this segment are those of the consolidated entity as a whole and are set out in the statement of profit or loss and other comprehensive income. The segment assets and liabilities of this segment are those of the consolidated entity and are set out in the statement of financial position.

4. Revenue

	Period from 11 January 2012 to 30 June 2013 \$	Period from 1 February 2011 to 10 January 2012 \$
Direct Sales	115,051	10,015
Distributor Sales	359,846	-
Licensing Fees	-	50,000
	474,897	60,015

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 11 JANUARY 2012 TO 30 JUNE 2013

5. Operating loss

The following items have been included in arriving at the operating loss:

	Period from 11 January 2012 to 30 June 2013 \$	Period from 1 February 2011 to 10 January 2012 \$
Gains on foreign exchange	329,634	-
Depreciation on property, plant and equipment	34,210	9,024
Directors' remuneration	212,500	-
Directors' consulting fees	107,098	-
Auditor's remuneration		
- As auditors	7,000	-
- As tax agents	2,000	-

All remuneration payable to the auditors has been disclosed above. No other non-audit services have been provided. No benefits in kind are payable to the auditors.

6. Employees

	Period from 11 January 2012 to 30 June 2013 \$	Period from 1 February 2011 to 10 January 2012 \$
Staff costs for the Group during the period:		
Wages and salaries	142,892	-
Director's remuneration	212,500	-
Superannuation	29,068	-
	384,460	-

The average monthly number of staff (including executive Directors) employed by the Group during the period amounted to:

	Period from 11 January 2012 to 30 June 2013	Period from 1 February 2011 to 10 January 2012
Management staff	4	1

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 11 JANUARY 2012 TO 30 JUNE 2013

7. Taxation

	Period from 11 January 2012 to 30 June 2013 \$	Period from 1 February 2011 to 10 January 2012 \$
Current Tax		
Current tax on profits in the period	-	-
Deferred Tax		
Origination of temporary timing differences	728,000	-
Income Tax Expense	728,000	-

The deferred tax charge shown relates to the unrealised gain recognised on financial assets held at 30 June 2013. It is due to temporary timing differences between the recognition of the gain and the charging of tax.

Factors affecting current tax charge

The effective rate of tax for the period is lower than the standard rate of corporation tax in the UK of 24.1% (2012: 26.4%). The differences are explained below:

	Period from 11 January 2012 to 30 June 2013 \$	Period from 1 February 2011 to 10 January 2012 \$
Profit/(Loss) before taxation	2,498,993	(3,973)
Profit on ordinary activities multiplied by the standard rate of tax in the UK of 24.1% (2012: 26.4%)	602,614	(1,050)
Excluded loss (incurred solely in Australia)	81,167	1,050
Income adjustments	(683,781)	-
Total current tax	-	-

HM Revenue & Customs have announced a reduction in the rate of corporation tax to 23% for accounting periods starting after 1 April 2013. It has also announced that the rate of corporation tax will be reduced to 21% for accounting periods starting after 1 April 2014.

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 11 JANUARY 2012 TO 30 JUNE 2013

8. Property, plant and equipment

	Motor Vehicles \$	Computer Equipment \$	Fixtures, fittings and equipment \$	Total \$
Cost				
As at 11 January 2012	70,751	8,026	10,860	89,637
Additions	106,177	2,471	-	108,648
At 30 June 2013	176,928	10,497	10,860	198,285
Depreciation				
As at 11 January 2012	70,751	8,026	6,351	85,128
Charge for the period	30,083	1,050	3,077	34,210
At 30 June 2013	100,834	9,076	9,428	119,338
Net book amount at 30 June 2013	76,094	1,421	1,432	78,947
	Motor Vehicles \$	Computer Equipment \$	Fixtures, fittings and equipment \$	Total \$
Cost				
As at 1 February 2011	70,751	8,026	10,860	89,637
At 10 January 2012	70,751	8,026	10,860	89,637
Depreciation				
As at 1 February 2011	64,137	7,788	4,179	76,104
Charge for the period	6,614	238	2,172	9,024
At 10 January 2012	70,751	8,026	6,351	85,128
Net book amount at 10 January 2012	-	-	4,509	4,509

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 11 JANUARY 2012 TO 30 JUNE 2013

9. Intangible Assets

	30 June 2013 \$	10 January 2012 \$
Intellectual property	2,105	-

At 30 June 2013, the group's main product launch for which the above intellectual property was acquired had not yet taken place, thus no amortisation has yet been charged.

10. Trade and other receivables – current

	30 June 2013 \$	10 January 2012 \$
Trade receivables	353,803	371

11. Cash and cash equivalents

	30 June 2013 \$	10 January 2012 \$
Cash at bank	13,264	-

Cash at bank is included as cash and cash equivalents in connection with the statement of cash flows.

When in overdraft, this balance is included in trade and other payables.

12. Inventory

	30 June 2013 \$	10 January 2012 \$
Finished goods	160,967	33,623

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 11 JANUARY 2012 TO 30 JUNE 2013

13. Financial assets

Financial assets measured at fair value through profit or loss

Financial assets held for trading:

- Investments in equity instruments held for trading

	30 June 2013 \$	10 January 2012 \$
Held for Trading Motivideo Shares	3,165,218	-

Shares held for trading are traded for the purpose of short term profit taking. Changes in fair value are included in the statement of profit or loss and other comprehensive income.

Reconciliation of year end balance:

Unrealised gains:	\$
- Gain on admission to GXG trading at EUR 0.19	1,077,522
- Gain to 30 June 2013	1,758,062
Foreign exchange gain	329,634
Value at period end	3,165,218

14. Other assets

	30 June 2013 \$	10 January 2012 \$
Unpaid shares	576,687	-

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 11 JANUARY 2012 TO 30 JUNE 2013

15. Trade and other payables – current

	30 June 2013 \$	10 January 2012 \$
Trade payables	-	78
Overdraft	-	12,761
Credit card	599	30,539
Deferred income	67,435	24,983
Accruals	37,810	-
Accrued wages	170,967	-
	276,811	68,361

16. Current tax liabilities

	30 June 2013 \$	10 January 2012 \$
Deferred tax liability	728,000	-

The liability to deferred tax has been classified as current as, should the corresponding assets be sold, the tax liability will crystallise immediately.

17. Borrowings

	30 June 2013 \$	10 January 2012 \$
Loans from related parties	6,644	4,656
Other Loans	984,000	-
Current Hire Purchase Liability	31,502	-
Less: Current Hire Purchase Interest	(7,270)	-
	1,014,876	4,656

The amount in other loans is a short term loan provided by J&J Smith, shareholders in the Company. The loan is unsecured and subject to interest at 6.5% annually.

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 11 JANUARY 2012 TO 30 JUNE 2013

18. Non-current Borrowings

	30 June 2013 \$	10 January 2012 \$
Hire purchase Liability > 1 year	86,550	
Hire purchase interest > 1 year	(10,659)	-
	75,891	-

19. Contributed equity

As mentioned in Note 2 and shown in the Statement of Changes in Equity shown on page 11, Rapid Nutrition PLC is applying the “pooling of interests” method of accounting for its business combination with Rapid Nutrition Pty Ltd. In accordance with the principles that underpin this methodology, the comparative figures for this period’s financial statements are those of the subsidiary company, alone. As shown below, this has given rise to a change in share capital as the new parent entity, Rapid Nutrition PLC, came into existence at the start of the current period – 11 January 2012 – and completed a share for share exchange to acquire Rapid Nutrition Pty Ltd. This transaction eliminated the share capital of the subsidiary from the current period’s consolidated figures, replacing it with that of the parent.

	30 June 2013 Securities	10 January 2012 Securities	30 June 2013 \$	10 January 2012 \$
Contributed Equity (Rapid Nutrition Pty Ltd)	-	-	-	432,277
Ordinary shares of £1 each (Rapid Nutrition PLC)	6	-	8	-
Ordinary shares of £0.10 each (Rapid Nutrition PLC)	231,884,040	-	27,086,375	-
Cost of issued shares	-	-	(113,789)	(58,414)
	231,884,046	-	26,972,594	373,863

The holder of the ordinary shares is entitled to one vote per share at any meeting of the Company whether in person or by proxy. The holder is entitled to receive dividends declared from available profits and to the surplus of assets on a winding up.

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 11 JANUARY 2012 TO 30 JUNE 2013

20. Retained Earnings

	30 June 2013 \$	10 January 2012 \$
Balance brought forward	(411,321)	(415,294)
Profit for the period	1,770,993	3,973
Balance carried forward	1,359,672	(411,321)

21. Related party transactions

Name (relationship)	Transaction	Amount		Amount due from/(to) related party	
		2013 \$	2012 \$	2013 \$	2012 \$
Rapid Nutrition (India)	Revenue	359,846	-	-	-
	Trade receivable	-	-	285,997	-
M&M Management Pty Ltd	Ordinary Shares held	5,482,707	-	-	-
	Unpaid portion of shares	-	-	576,687	-
JBG Corp Pty Ltd	Ordinary Shares held	12,110,277	-	-	-
Health-E-Nominees	Consultancy Expenses	14,001	-	-	-

Nature of related parties

One of the directors of Rapid Nutrition Private Limited (India) is Vaidyanathan Nateshan, current director of Rapid Nutrition PLC. M&M Management Pty Ltd and JBG Corp Pty Ltd are companies controlled by the director of Rapid Nutrition, Simon St Ledger and his related parties.

Transactions with related parties

All transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties.

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 11 JANUARY 2012 TO 30 JUNE 2013

22. Related party transactions (continued)

Key Management Personnel

All transactions with key management personnel (the directors) during the period 11 January 2012 to 30 June 2013 are disclosed below:

	<i>Salary</i>	<i>Superannuation</i>	<i>Consultancy Fees</i>	<i>Total</i>
Simon St Ledger ^{1 2}	212,500	25,476	-	237,976
Vaidyanathan Nateshan	-	-	30,048	30,048
Malcolm Sinclair ²	-	-	77,050	77,050

During the period, there were no advances, credits or guarantees subsisting on behalf of the directors.

23. Commitments and contingencies

At 30 June 2013 the Group did not have any contingencies.

At 30 June 2013 the Group had the following obligations under non-cancellable finance leases:

	30 June 2013 \$	10 January 2012 \$
<hr/>		
Finance lease commitments		
Payable – minimum lease payments		
- Not later than 12 months	24,232	-
- Between 12 months and 5 years	75,891	-
	<hr/>	<hr/>

The finance leases are on motor vehicles which commenced in June 2012. They are 5 year leases with equal payments throughout the lease term, and one balloon payment at the end.

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 11 JANUARY 2012 TO 30 JUNE 2013

24. Reconciliation of operating profit to net cash outflow from operations

	Period from 11 January 2012 to 30 June 2013 \$	Period from 1 February 2011 to 10 January 2012 \$
Operating loss	(336,592)	(3,973)
Depreciation	34,210	9,024
Gain on foreign exchange	(329,625)	-
(Increase)/decrease in Receivables	(353,432)	537
Increase/(decrease) in Payables	218,835	(3,513)
(Increase)/decrease in Inventory	(127,344)	-
Net cash outflow from operations	(893,948)	2,075

25. Financial risk management

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable & loans from related parties.

The Group's financial instruments at 30 June 2013 were classified as follows:

	Note	30 June 2013 \$	10 January 2012 \$
Financial assets			
Cash and cash equivalents	11	13,264	-
Trade and other receivables	10	353,803	371
Financial assets	13	3,165,218	-
Total financial assets		3,532,285	371
Financial liabilities			
- Trade and other payables	16	276,811	68,361
- Borrowings	18, 19	1,090,767	4,656
		1,367,578	73,017

Fair value versus carrying amounts

All items shown in the preceding table as either financial assets or financial liabilities are short term instruments whose carrying value is equivalent to the fair value. There is not considered to be a material difference between the fair value and the carrying value.

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 11 JANUARY 2012 TO 30 JUNE 2013

25. Financial risk management (continued)

Specific Financial Risk Exposures and Management

The Group's activities expose it to a number of financial risks that include market risk, credit risk and liquidity risk.

(a) Market Risk

i) Foreign exchange risk

The Group's main financial asset – shares held at fair value through the profit and loss – are denominated in Euros, so the risk of any adverse movement in the foreign currency exchange rates is borne by the Group.

As at 30 June 2013, if the Euro had strengthened/weakened by 5% against the Australian dollar with all other variables held constant, comprehensive income for the period and assets would have been \$158,261 higher/lower, as a result of foreign exchange gains/losses on transaction of the financial asset.

ii) Interest rate risk

The Group had interest-bearing liabilities during the period, but is not exposed to interest rate risk because the interest rates on their liabilities are set by private agreement, not by reference to market rates. The group does not have any liabilities to financial institutions at 30 June 2013. As such, sensitivity analysis with regard to movements in interest rates would not be meaningful.

(b) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance of counter-parties of contract obligations that could lead to financial losses to the group.

Credit risk exposures

The Group had no significant concentrations of credit risk. For loans receivable and payable, please refer to Note 10 – Trade and Other Receivables & Note 17 - Borrowings. Loans are unsecured and have no fixed repayment date.

(c) Liquidity risk

Liquidity risk arises from the possibility that the group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The group manages this risk through careful cash management policies. In order to meet its short term obligations, the group has the support of several key shareholders who are willing to provide funds to the group on an as-needed basis.

26. Share Based Payments

No share options have been granted to employees or directors. No shares were granted to suppliers as shared based payments during this or the preceding financial period.

RAPID NUTRITION PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 11 JANUARY 2012 TO 30 JUNE 2013

27. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year. Due to the alteration in the group's capital structure at 11 January 2012, when Rapid Nutrition PLC was incorporated, comparative figures have not been calculated as they are not considered comparable to the current year.

The following reflects earnings and share data used in the earnings per share calculation.

	Period from 11 January 2012 to 30 June 2013 \$
Profit for the year	1,770,993
Weighted average number of shares	136,402,380

There were no instruments (e.g. redeemable preference shares or share options) in issue as at 30 June 2013 that could potentially dilute earnings per share in the future.

28. Subsequent Events

Other than the following, the directors are not aware of any significant events since the end of the reporting period.

The Group is in the process of finalising arrangements that will secure a \$10m media spend to support the Group's new product launch in October 2013.

29. Company Details

The registered office of Rapid Nutrition PLC is:

2nd Floor
145-157 St. John Street
London
England
EC1V 4PW

The principal place of business is:

40-46 Nestor Drive
Meadowbrook QLD 4131
Australia