Company Registration Number 07905640

RAPID NUTRITION PLC

FINANCIAL STATEMENTS
30 JUNE 2014

RAPID NUTRITION PLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

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Directors	S St Ledger V Nateshan M Sinclair
Company Secretary	Elemental CoSec Limited
Company registration number	07905640
Registered office	2nd Floor 145-157 St. John Street London England EC1V 4PW
Auditor	KSI (WA) Level 2 35 Outram Street West Perth WA 6005 Australia
Domicile of the company	United Kingdom
Country of incorporation	England and Wales
Legal form of entity	Public Limited Company
Frankfurt Stock Exchange Code	RNP

The directors present their strategic report on Rapid Nutrition PLC and its controlled entity (hereafter "the Group" or "Rapid Nutrition") for the year ended 30 June 2014.

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

A successful year for shareholders from start to finish, 2014 was a year of strong growth and expansion for Rapid Nutrition across the globe.

After winning the Queensland's Export Awards 2013 in the small business category, the new SystemLS™ range – which underwent research and development in 2013 – was successfully launched in the first quarter of 2014. The full SystemLS™ range was approved by Woolworth's, Australia's supermarket giant with 820 stores, a significant milestone to begin the year.

In the second quarter, the natural healthcare company was recognised for its export success when it won the state government export awards while being a finalist in the biotech category. Further, in June Rapid Nutrition was admitted to the Frankfurt Stock Exchange, where its stock price increased nearly five percent on its first day of listing on the exchange. The opening share price of Euro 2.9 has risen as high as Euro 3.8 in recent months.

The second half of the year saw further global expansion as products were successfully introduced to and registered in Vietnam. New distribution through Shine Resources, a healthcare-based organisation that is dedicated to innovative supply chain strategies in pharmaceutical sourcing, trading and marketing, will help Rapid Nutrition continue to broaden its reach.

Further, as part of the company's ongoing growth plans, Rapid Nutrition's equity stake in Motivate Health Technologies "MHT" has proven to be fruitful. MHT is a California-based health technology company that offers innovative weight-loss video apps and internet products dedicated to health and lifestyle management. MHT specialises in the application of 21st century media technology and the production of specially created video programming to help customers achieve their health goals. This joint venture continues to expand as orders grow in addition to the U.S. product website launch.

All of these efforts have led to new investors and a significant uptick in company profits as a result of the company's 336% growth in revenue over the course of the year.

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.

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

As part of this ongoing expansion, Rapid Nutrition is focused on gaining a stronger foothold into the lucrative European and U.S. markets with the SystemLS™ range. The company has taken steps to meet increasing demand by partnering with B2C Europe, a well-established European distributor, to serve customers directly.

Further, Rapid Nutrition continues discussions with several U.S. companies to further expand the SystemLS™ presence and revenues in the United States. To that end, Richard Serbin, a new independent member, was appointed to the company's advisoryboard. Mr Serbin will engage his mergers and acquisitions expertise to help make more strategic acquisitions in order to establish a strong position in key regions. Based in New York City, Mr Serbin is a registered patent attorney as well as a registered pharmacist whose background includes law, science and education

Rapid Nutrition will continue to enhance its board of directors, management team and key advisors while working towards the goal of becoming a truly global healthcare company.

Environmental matters

There are no environmental issues arising from the Group's business that might affect the future strategic direction or results of our group.

Employees

In line with *Companies Act 2006* requirements, we present the following breakdown of our employee structure:

Role	*Number of Men*	*Number of Women*
Directors	3	-
Senior Managers	-	1
Other Employees	-	-

In conjunction with our aforementioned plans to expand into the USA, it is expected that our staff will expand in the coming financial year as revenues grow, that the Group will be better able to service our customers and partners.

By order of the board

Simon St Ledger

Director

1 December 2014

The Directors presents their report and financial statements of the Group for the year ended 30 June 2014.

Directors

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

Mr Simon St Ledger
Mr Vaidyanathan Nateshan
Mr Malcolm Sinclair

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

Company Secretary

The following served as Company Secretary during the period:

London Registrars PLC (resigned 2 September 2013)
Mr David Mahon (appointed 12 August 2013, resigned 12 February 2014)
Elemental CoSec Limited (appointed 12 February 2014)

Meetings of the Directors

During the year to 30 June 2014, the directors attended the following meetings of the board of directors:

	Meetings eligible to attend	Meetings attended
Simon St Ledger	6	6
Vaidyanathan Nateshan	6	6
Malcolm Sinclair	6	6

Review of the Business

Please refer to the Strategic Report for information on the Group, its strategic direction, this year's results, and plans for the future.

Dividends

At this stage of the Group's development, no dividends have been recommended. All monies generated by the Group's operations are to be retained for the future growth and development of the Group's offerings to market.

Research and Development

The Group undertakes a variety of research activities into potential new products and new formulations that could form part of their future offerings to customers. The Group classifies all such spending as research and expenses the costs accordingly.

It is the view of the directors at this stage that the Group is unable to confirm the potential flow of benefits from new products until they arrive to market. Given that, it is not possible to capitalise these expenditures as development.

Financial Instruments

The Group holds shares in another company, Motivideo Systems. Information regarding the Group's financial risk management objectives and policies, including exposure to market, credit and liquidity risks, are presented in Note 25 to these financial statements.

Post Balance Sheet Events

The directors are not aware of any significant events since the end of the reporting period.

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.

Director's Interests

At the year end date, the directors of the company had the following interests in the shares of the company, through both direct and indirect holdings:

Director	Shares Held on 1 July 2013	Shares acquired during year	Shares disposed during the year	1:10 Share Consolidation	Shares held on 30 June 2014
Simon St Ledger	159,906,560	-	(43,500,000)	(104,765,904)	11,640,656
Vaidyanathan Nateshan	3,250,000	-	-	(2,925,000)	325,000
Malcolm Sinclair	871,753	-	-	(784,578)	87,175

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

2014	*Salary*	*Superannuation*	*Consultancy Fees*	*Total*
Simon St Ledger [1 2]	150,000	13,875	-	**163,875**
Vaidyanathan Nateshan	-	-	-	**-**
Malcolm Sinclair [2]	-	-	19,998	**19,998**

[1] – Simon St Ledger's employment terms, as formalised by board resolution, specify a salary of $150,000 per year. During the year to 30 June 2014, only $7,577 was paid. The remainder is outstanding at the year 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 in the prior period for $55,718, while Mr Sinclair's vehicle was acquired in the prior period for $50,459.

2013	*Salary*	*Superannuation*	*Consultancy Fees*	*Total*
Simon St Ledger [3]	212,500	25,476	-	**237,976**
Vaidyanathan Nateshan	-	-	30,048	**30,048**
Malcolm Sinclair	-	-	77,050	**77,050**

[3] In the period 11 January 2012 – 30 June 2013, only $111,906 was paid to Mr St Ledger. The remainder was outstanding at the period end.

End of audited section.

Directors' responsibilities

The Directors are responsible for preparing the Strategic Report and 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
1 December 2014

We have audited the financial statements of Rapid Nutrition PLC on pages 12 to 41 for the period ended 30 June 2014. 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 and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 pages 7 & 8, 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 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.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2014 and of the group's profit for the period then ended;
- the group's financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the parent company's financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

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

In forming our opinion, which is not modified, we have considered the adequacy of the disclosure made in note 1.2 to the financial statements considering the group's ability to continue as a going concern.

We draw attention to Note 1.2 in the financial statements, which indicates that the group had negative operating cashflows of $287,999 during the year, but only had cash at 30 June 2014 of $4,441. Given those noted findings, we believe that both the parent company's and 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.

As a result, there is a material uncertainty related to events or conditions that may cast significant doubt on the parent company's and 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. The financial statements do not include the adjustments that would result if the parent company and the group were unable to continue as a going concern.

Remuneration Report

We have audited the remuneration report, shown on pages 6 & 7 of the directors' report, for the period ended 30 June 2014. 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.*

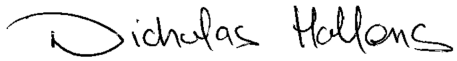
Opinion on other matters prescribed by the Companies Act 2006

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

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 parent company's 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.



Nicholas Hollens – Senior Statutory Auditor
For and on behalf of KSI (WA) – Statutory Auditors
35 Outram Street
West Perth WA 6005
Australia

Date: 1 December 2014

RAPID NUTRITION PLC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR 1 JULY TO 30 JUNE 2014

	Note	Year to 30 June 2014	Period from 11 January 2012 to 30 June 2013
		$	$
Revenue	4	1,595,448	474,897
Cost of sales			
Opening inventory		(160,967)	(33,623)
Direct costs		(506,105)	(451,001)
Closing inventory		43,829	160,967
Gross profit		972,205	151,240
Gain on foreign exchange		-	329,634
Administrative expenses		(603,403)	(817,466)
Operating loss	5	**368,802**	**(336,592)**
Unrealised gain on financial assets	11	1,555,665	2,835,585
Currency Gain		108,455	-
Profit/(loss) before tax		**2,032,922**	**2,498,993**
Tax expense	7	(286,019)	(728,000)
Net profit/(loss) for the period attributable to members of the Company		**1,746,903**	**1,770,993**
Other comprehensive income		**-**	**-**
Total comprehensive income for the period attributable to members of the Company		**1,746,903**	**1,770,993**
Basic & diluted earnings per share	27	0.08	0.08

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2014

	Note	30 June 2014 $	10 January 2013 $
Current assets			
Cash and cash equivalents	8	4,441	13,274
Trade and other receivables	9	1,581,352	353,803
Inventory	10	43,829	160,967
Financial assets	11	4,828,662	3,165,218
Other assets	12	10,835	576,687
Loans		286,168	-
Total current assets		6,755,287	4,269,949
Non-current assets			
Property, plant and equipment	13	40,708	78,947
Intangible assets	14	228,605	2,105
Total non-current assets		269,313	81,052
Total assets		**7,024,600**	**4,351,001**
Current liabilities			
Trade and other payables	15	532,088	276,811
Borrowings	16	1,278,690	1,014,876
Other payables		15,896	568
Total current liabilities		**1,826,674**	**1,292,255**
Non-current liabilities			
Deferred tax	17	1,014,019	728,000
Borrowings	18	70,367	75,891
Total non-current liabilities		1,084,386	803,891
Total liabilities		**2,911,060**	**2,096,146**
Net assets		**4,113,540**	**2,254,855**

Equity			
Shares	19	27,084,376	26,972,594
Merger reserve		(26,077,411)	(26,077,411)
Retained earnings	20a	3,106,575	1,359,672
Total equity and reserves		**4,113,540**	**2,254,855**

These financial statements were approved and authorised for release by the Directors on 1 December 2014 and are signed on its behalf by:

S St Ledger
Director

Company registration number: 07905640

RAPID NUTRITION PLC

CONSOLIDATED 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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR 1 JULY 2013 TO 30 JUNE 2014

	Ordinary Share Capital $	Merger Reserve $	Retained Earnings $	Total Equity $
Opening balance 1 July 2013	26,972,594	(26,077,411)	1,359,672	**2,254,855**
Comprehensive Income				
Profit for the year	-	-	1,746,903	**1,746,903**
Total comprehensive income for the year			**1,746,903**	**1,746,903**
Transactions with owners, in their capacity as owners				
Shares issued during the year	111,782	-	-	**111,782**
Total transactions with owners, in their capacity as owners	**111,782**	**-**	**-**	**111,782**
Balance as at 30 June 2014	**27,084,376**	**(26,077,411)**	**3,106,575**	**4,113,540**

RAPID NUTRITION PLC

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR 1 JULY 2013 TO 30 JUNE 2014

	Note	Year from 1 July 2013 to 30 June 2014 $	Period from 11 January 2012 to 30 June 2013 $
Cash flows from operating activities			
Receipts from customers		81,902	121,464
Payments to suppliers and employees		(369,901)	(1,015,412)
Net cash used by operating activities	25	**(287,999)**	**(893,948)**
Cash flows from investing activities			
Purchase of plant and equipment	13	-	(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		106,839	-
Costs of issue of shares		-	(55,375)
Proceeds from borrowings		252,187	985,988
Repayment of related party borrowings		(60,346)	-
Payment for Finance Lease		(19,343)	-
Loans advanced		(171)	-
Net cash used by financing activities		**279,166**	**930,613**
Increase/(decrease)in cash and cash equivalents		(8,833)	26,035
Cash and cash equivalents at the beginning of the period		13,274	(12,761)
Cash and cash equivalents at the end of the period	8, 15	**4,441**	**13,274**

RAPID NUTRITION PLC

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2014

	Note	30 June 2014 $	30 June 2013 $
Statement of Financial Position			
Current assets			
Intercompany loan	21	616,544	-
Financial assets	11	4,828,662	3,165,218
Other assets		5,891	462,898
Total current assets		5,451,097	3,628,116
Non-current assets			
Investment in subsidiaries	22	-	-
Total non-current assets		-	-
Total Assets		**5,451,097**	**3,628,116**
Current Liabilities		-	-
Non-Current Liabilities			
Deferred tax	17	1,014,019	728,000
Total non-current liabilities		1,014,019	728,000
Total Liabilities		**1,014,019**	**728,000**
Net Assets		**4,437,078**	**2,900,116**
Issued Capital	19	27,084,376	26,972,594
Retained Earnings	20b	(22,647,298)	(24,072,478)
Total Equity		**4,437,078**	**2,900,116**

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 $1,425,180. The company had no cashflow in the period, and therefore no cashflow statement has been prepared.

RAPID NUTRITION PLC

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR 1 JULY 2013 TO 30 JUNE 2014

	Ordinary Share Capital $	Retained Earnings $	Total Equity $
Opening balance 11 January 2012	373,863	-	**373,863**
Comprehensive income			
Profit for the period	-	(24,072,478)	**(24,072,478)**
Total comprehensive income for the period	**-**	**(24,072,478)**	**(24,072,478)**
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)**
Total transactions with owners, in their capacity as owners	**26,598,731**	**-**	**26,598,731**
Balance as at 30 June 2013	**26,972,594**	**(24,072,478)**	**2,900,116**

	Ordinary Share Capital $	Retained Earnings $	Total Equity $
Opening balance 1 July 2013	26,972,594	(24,072,478)	**2,254,855**
Comprehensive income			
Profit for the period	-	1,425,180	**1,425,180**
Total comprehensive income for the period	**-**	**1,425,180**	**1,425,180**
Transactions with owners, in their capacity as owners			
Shares issued during the period	111,782	-	**111,783**
Total transactions with owners, in their capacity as owners	**111,782**	-	**111,783**
Balance as at 30 June 2014	**27,084,376**	**(22,647,298)**	**4,437,078**

The consolidated financial statements and notes represent those of Rapid Nutrition PLC and its subsidiary ("the consolidated group" or "group"), for the year to 30 June 2014. The comparative period was prepared for 11 January 2012 to 30 June 2013 to reflect Rapid Nutrition PLC's first financial period following incorporation.

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, except for the revaluation of financial assets.

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 year ended 30 June 2014, the Group had a cash balance of $4,441 while it experienced net operating cash outflows during the year of $287,999. 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 significant 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.

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
During the prior period, Rapid Nutrition PLC acquired 100% of the shares in Rapid Nutrition Pty Ltd. As both parties were under common control before and after the transaction, the acquisition was accounted for using pooling of interests method.

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.

After the acquisition, the consolidation is processed as normal, on a line by line basis for revenue, expenses, assets and liabilities.

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.

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.

Advertising asset
During the year, the group made payment in accordance with an agreement to receive advertising in the USA. The agreement makes provision of further conditions prior to receipt, hence the initial payment was classified as an intangible, from which future benefits are expected to flow.
The value of the intangible is the cost of the associated payment. When the advertising commences, the intangible will be amortised on a straight line basis over the period of the commitment: 5 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.

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.

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.

1.16 Finance Leases

The group leases certain motor vehicles where the group has substantially all the risks and rewards of ownership; these leases are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of profit or loss and other comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The motor vehicles acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease term.

1.17 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.

1.18 Post Retirement Benefits

For salaries paid (all by the Australian subsidiary):

A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Superannuation – the Australian defined contribution pension scheme – is mandated by Australian law and presently set at 9.25% of gross salary payable to an employee.

The group pays contributions to publicly or privately administered pension insurance plans on a mandatory basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

1.19 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.

1.20 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 recognise directly in equity.

1.21 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.

1.22 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 1 July 2013 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 July 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:

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 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.

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.

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.

2. Parent Information

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 2014, Rapid Nutrition PLC did not have any contingent liabilities.

Contractual Commitments
At 30 June 2014, 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 were 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.

	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.

The group's main reporting channels are its geographical distribution networks, hence the Board (the group's chief operating decision maker) believe that, at 30 June 2014, there were four main segments, with revenue (the financial variable they evaluate performance via) as follows:

Location	Revenue	Percentage of Total
Australia	16,937	1%
USA	429,961	27%
Turkey & Georgia	483,500	30%
Asia	665,050	42%

The remainder of the group's position and performance are considered on a collective basis by the Board. As a new startup, the Board's focus is brand expansion, of which they consider revenue their key driver.

4. Revenue

	Year from 1 July 2013 to 30 June 2014 $	Period from 11 January 2012 to 30 June 2013 $
Direct Sales	16,937	115,051
Distributor Sales	1,578,511	359,846
Licensing Fees	-	-
	1,595,448	**474,897**

5. Operating profit/(loss)

The following items have been included in arriving at the operating profit/(loss):

	Year from 1 July 2013 to 30 June 2014 $	Period from 11 January 2012 to 30 June 2013 $
Gains on foreign exchange	108,455	329,634
Expenses:		
Depreciation on property, plant and equipment	38,238	34,210
Directors' remuneration	163,875	237,976
Directors' consulting fees	19,998	107,098
Auditor's remuneration		
- As auditors (for parent company and consolidation)	5,000	2,000
- As auditors (for the subsidiary)	10,000	5,000
- As tax agents (for tax compliance)	2,500	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.

Contributions to superannuation (money purchase pension schemes) are made on behalf of one director of the group.

6. Employees

	Year from 1 July 2013 to 30 June 2014 $	Period from 11 January 2012 to 30 June 2013 $
Staff costs for the Group during the period:		
Wages and salaries	250,000	355,392
Other pension costs	23,125	29,068
	273,125	**384,460**

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

	Year from 1 July 2013 to 30 June 2014	Period from 11 January 2012 to 30 June 2013
Management staff	4	4

7. Taxation

	Year from 1 July 2013 to 30 June 2014 $	Period from 11 January 2012 to 30 June 2013 $
Current Tax		
Current tax on profits in the period	-	-
Deferred Tax		
Origination of temporary timing differences	286,019	728,000
Income Tax Expense	**286,019**	**728,000**

The deferred tax charge shown relates to the unrealised gain recognised on financial assets held at 30 June 2014. 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 22.5% (2013: 24.1%). The differences are explained below:

	Year from 1 July 2013 to 30 June 2014 $	Period from 11 January 2012 to 30 June 2013 $
Profit/(Loss) before taxation	2,032,922	2,498,993
Profit on ordinary activities multiplied by the standard rate of tax in the UK of 22.5% (2013: 24.1%)	457,407	602,614
Excluded (gain)/loss (incurred solely in Australia)	(120,991)	81,167
Income adjustments (unrealised gains)	(374,613)	(683,781)
Losses carried forward	38,197	-
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.

8. Cash and cash equivalents - group

	30 June 2014 $	30 June 2013 $
Cash at bank	**4,441**	**13,274**

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.

9. Trade and other receivables – current - group

	30 June 2014 $	30 June 2013 $
Trade receivables	**1,581,352**	**353,803**

10. Inventory - group

	30 June 2014 $	30 June 2013 $
Finished goods	15,199	160,967
Raw materials	28,630	-
	43,829	**160,967**

11. Financial assets – group and parent company

Financial assets measured at fair value through profit or loss

Financial assets held for trading:

- Investments in equity instruments held for trading

	30 June 2014 $	30 June 2013 $
Held for Trading Motivideo Shares	**4,828,662**	**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:	$
- Brought forward	3,165,218
- Gain to 30 June 2014	1,555,665
Foreign exchange gain	107,779
Value at period end	**4,828,662**

12. Other assets - group

	30 June 2014 $	30 June 2013 $
Unpaid shares	**10,835**	**576,687**

13. Property, plant and equipment - group

	Motor Vehicles $	Computer Equipment $	Fixtures, fittings and equipment $	Total $
Cost				
As at 1 July 2013	176,928	10,497	10,860	**198,285**
Additions	-	-	-	**-**
At 30 June 2014	**176,928**	**10,497**	**10,860**	**198,285**
Depreciation				
As at 1 July 2013	100,834	9,076	9,428	**119,338**
Charge for the period	35,386	1,421	1,432	**38,239**
At 30 June 2014	**136,220**	**10,497**	**10,860**	**157,577**
Net book amount at 30 June 2014	**40,708**	**-**	**-**	**40,708**
Net book amount at 30 June 2013	**76,094**	**1,421**	**1,432**	**78,947**

14. Intangible Assets - group

	30 June 2014 $	30 June 2013 $
Intellectual property	2,105	2,105
Advertising intangible	226,500	-
Intellectual property	**228,605**	**2,105**

At 30 June 2014, 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.

During the year, the group made an initial payment to an advertising provider in the USA, in a deal which could eventually net $10m in advertising spend on the group's behalf. The initial payment was valued at $226,500. As this is considered an asset from which future benefits are expected to flow, it has been classified as an intangible.

15. Trade and other payables – current - group

	30 June 2014 $	30 June 2013 $
Credit card	22,673	599
Deferred income	-	67,435
Accruals	103,602	37,810
Accrued wages	405,813	170,967
	532,088	**276,811**

16. Borrowings - group

	30 June 2014 $	30 June 2013 $
Loans from related parties	10,165	6,644
Other Loans	1,252,342	984,000
Current Hire Purchase Liability	20,844	31,502
Less: Current Hire Purchase Interest	(4,661)	(7,270)
	1,278,690	**1,014,876**

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.

17. Deferred tax liability – group and parent company

	30 June 2014$	30 June 2013
Deferred tax liability	**1,014,019**	**728,000**

The deferred tax liability has been calculated in relation the financial asset held by the parent company (and group) – see Note 13.

18. Non-current Borrowings - group

	30 June 2014 $	30 June 2013 $
Hire purchase Liability > 1 year	76,364	86,550
Hire purchase interest > 1 year	(5,997)	(10,659)
	70,367	**75,891**

19. Contributed equity – group and parent company

	30 June 2014 Securities	30 June 2013 Securities	30 June 2014 $	30 June 2013 $
Ordinary shares of £1 each	23,265,104	6	27,198,165	8
Ordinary shares of £0.10 each	-	231,884,040	-	27,086,375
Cost of issued shares	-	-	(113,789)	(113,789)
	23,265,104	**231,884,046**	**27,084,376**	**26,972,594**

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.

During the year, the parent company enacted a one for ten consolidation of share capital, as part of their transition to listing on the Frankfurt Stock Exchange. The listing rules required a nominal value of £1 per share, hence consolidating the £0.10 shares achieved this.

20. Retained Earnings

a) Group

	30 June 2014 $	30 June 2013 $
Balance brought forward	1,359,672	(411,321)
Profit for the period	1,746,903	1,770,993
Balance carried forward	**3,106,575**	**1,359,672**

b) Parent company

	30 June 2014 $	30 June 2013 $
Balance brought forward	(24,072,478)	-
Profit for the period	1,425,180	(24,072,478)
Balance carried forward	**(22,647,298)**	**(24,072,478)**

21. Intercompany loan – parent company

	30 June 2014 $	30 June 2013 $
Balance brought forward	-	-
Services provided	616,544	-
Balance carried forward	**616,544**	**-**

22. Investment in subsidiary

a) Group

The group controlled 100% of the share capital of its direct subsidiary, Rapid Nutrition Pty Ltd in the current and prior period. The results of this subsidiary have been consolidated on a line by line basis into the consolidated financial statements.

b) Parent company

Value of investment in subsidiary

	30 June 2014 $	30 June 2013 $
Value of shares held	26,509,688	26,509,688
Provision for impairment	(26,509,688)	(26,509,688)
Balance at year end date	**-**	**-**

The value assigned to the subsidiary during a share for share acquisition was $26,509,688. This was based on expected future earnings potential. At 30 June 2014, however, the net liabilities of the subsidiary are $323,539. Thus, a provision has been made against the value for the parent company.

Please note, provisions are reversible in future years, depending on results and growth.

23. Related party transactions

Name	Transaction	Amount		Amount due from/(to) related party	
		2014 $	2013 $	2014 $	2013 $
Rapid Nutrition (India)	Revenue	-	359,846	-	-
	Loan receivable	-	-	285,997	285,997
M&M Management Pty Ltd	Ordinary Shares held	340,829	548,271	-	-
	Advertising spend received	226,500	-	-	-
	Unpaid portion of shares	-	-	-	576,687
Mr Simon St Ledger (director)	Unpaid wages owing	-	-	(405,813)	(170,967)
	Stock introduced	360,352	-	-	-
JBG Corp Pty Ltd	Ordinary Shares held	12,110,277	12,110,277	-	-
Health-E-Nominees	Consultancy Expenses	19,998	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. Health-E-Nominees is a company controlled by Malcolm Sinclair, current director of Rapid Nutrition PLC.

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.

Key Management Personnel
All transactions with key management personnel (the directors) during the year 1 July 2013 to 30 June 2014 are disclosed below:

	Salary	*Superannuation*	*Consultancy Fees*	*Total*
Simon St Ledger [1]	150,000	13,875	-	163,875
Vaidyanathan Nateshan	-	-	-	-
Malcolm Sinclair	-	-	19,998	19,998

[1] – Simon St Ledger's employment terms, as formalised by board resolution, specify a salary of $150,000 per year. During the year to 30 June 2014, only $7,577 was paid. The remainder is outstanding at the year end.

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

23. Commitments and contingencies

At 30 June 2014 the Group did not have any contingencies.

At 30 June 2014 the Group had the following obligations under non-cancellable finance leases:

	30 June 2014 $	**30 June 2013 $**
Finance lease commitments		
Payable – minimum lease payments		
- Not later than 12 months	20,844	31,502
- Between 12 months and 5 years	76,364	86,550
Minimum lease payments	97,208	118,052
(Less future finance charges)	(10,658)	(17,929)
Present value of minimum lease payments	86,550	100,123

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.

These liabilities are secured against the motor vehicles that they were used to acquire – two Ford Territory 4WD vehicles.

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

	Year from 1 July 2013 to 30 June 2014 $	Period from 11January 2012 to 30 June 2013 $
Operating profit	368,801	(336,592)
Depreciation	38,238	34,210
Gain on foreign exchange	-	(329,625)
(Increase)/decrease in Receivables	(1,169,250)	(353,432)
Increase/(decrease) in Payables	357,073	218,835
(Increase)/decrease in Inventory	117,139	(127,344)
Net cash outflow from operations	**(287,999)**	**(893,948)**

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 2014 were classified as follows:

	Note	30 June 2014 $	30 June 2013 $
Financial assets			
Cash and cash equivalents	**8**	4,441	13,264
Trade and other receivables	**9**	1,581,352	353,803
Financial assets	**11**	4,828,662	3,165,218
Total financial assets		**6,414,455**	**3,532,285**
Financial liabilities			
- Trade and other payables	**15**	532,088	276,811
- Borrowings	**16**	1,278,690	1,014,876
		1,810,778	**1,291,687**

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.

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 2014, 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 $321,911 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.

27. Earnings per share

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

	Year from 1 July 2013 to 30 June 2014 $	Period from 11 January 2012 to 30 June 2013 $
Profit for the year	1,746,903	1,770,993
Weighted average number of shares	23,265,104	23,188,404

In the prior year, there were 231,884,040 shares in issue. During this year, the company completed a share consolidation 1:10, thus we have reduced the weighted average shares to reflect that. To maintain comparability, we have reduced the comparative number of shares as though reduced by the same consolidation.

There were no instruments (e.g. redeemable preference shares or share options) in issue as at 30 June 2014 that could potentially dilute earnings per share in the future.

28. Subsequent Events

The directors are not aware of any significant events since the end of the reporting period.

29. Company Details

The registered office of Rapid Nutrition PLC is:

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London
England
EC1V 4PW

The principal place of business is:

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