

Health & Diet Food Company Limited
Annual report and financial statements
for the year ended 30 September 2013

Registered number: 935422



Health & Diet Food Company Limited

Annual report and financial statements for the year ended 30 September 2013

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Health & Diet Food Company Limited

Directors and advisors

Directors

C Keen
M Kendrick

Company secretary

R Craddock

Registered Office

Samuel Ryder House
Barling Way
Nuneaton
Warwickshire
CV10 7RH

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Donington Court
Pegasus Business Park
Castle Donington
East Midlands
DE74 2UZ

Health & Diet Food Company Limited

Strategic report for the year ended 30 September 2013

The directors present their strategic report on the Company for the year ended 30 September 2013.

Principal activity

The Company has an ongoing obligation to support a legacy defined benefit pension scheme.

Business review

Both the activity in the year and the year end financial position of the Company remain satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future. The profit and loss account is set out on page 7.

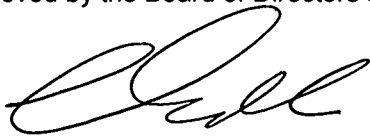
Principal risks and uncertainties

The key risks affecting the Company are related to the defined benefit pension scheme.

Key performance indicators ('KPIs')

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

Approved by the Board of Directors and signed on behalf of the Board.



C. Keen
Chief Financial Officer

JK May 2014

Health & Diet Food Company Limited

Directors' report for the year ended 30 September 2013

The directors present their report and the audited financial statements for the year ended 30 September 2013.

Financial risk management

The Company's activities expose it to financial risk. The main risk arises from movements in the defined benefit pension scheme. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

Dividends

A dividend of £nil (2012: £nil) equating to £nil (2012: £nil) per ordinary share was paid during the year.

Directors

The directors who held office during the year and up to the date of signing the financial statements, unless otherwise stated, were as follows:

P Aldis (resigned 23 January 2014)
R Craddock (resigned 23 January 2014)
L Hardy (appointed 1 October 2012 and resigned 23 January 2014)
C Keen (appointed 1 January 2013)
M Kendrick

Registered number: 935422

Prior year restatement

Previously the Health and Diet Food Company Limited Pension and Life Assurance Scheme (1975) had been accounted for under FRS 17 in Nutrition Warehouse Limited, a fellow group company, in error. Health & Diet Food Company Limited is the legal sponsoring principal employer of the defined benefit scheme and considered by management to be the sole obligor of the scheme. In accordance with FRS 17 the Directors consider that accounting for the scheme and the associated costs in the company provides the most reasonable and appropriate basis on which to allocate the scheme's costs and liabilities. In accordance with FRS 3 the Directors consider that the previous accounting for the scheme was a fundamental error and requires restatement.

In order to reflect this change the comparative balance sheet, statement of total recognised gains and losses, profit and loss account and certain notes to the financial statements have been restated. Details of the impact of this restatement are included in Note 12.

Health & Diet Food Company Limited

Directors' report for the year ended 30 September 2013 (continued)

Statement of directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Statement of disclosure of information to auditors

In accordance with Section 418 of the Companies Act 2006, in the case of each director in office at the date the Directors' Report is approved:

- (a) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (b) he/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, were appointed during the year and have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board.



C Keen
Chief Financial Officer

27th May 2014

Independent auditors' report to the members of Health & Diet Food Company Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the Company's affairs as at 30 September 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Health & Diet Food Company Limited, comprise:

- the balance sheet as at 30 September 2013;
- the profit and loss account and statement of total recognised gains and losses for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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

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

What an audit of financial statements involves

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

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

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

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditors' report to the members of Health & Diet Food Company Limited (continued)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

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


Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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



Jackie Bradshaw (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands

28 May 2014

Health & Diet Food Company Limited

Profit and loss account for the year ended 30 September 2013

| | | 2013 | 2012 |
|--|----------|---------------|-------------|
| | | (as restated) | |
| | Note | £'000 | £'000 |
| Administrative income/(expenses) | | 17 | (9) |
| Operating profit/(loss) | | 17 | (9) |
| Other finance costs | 10 | (42) | (31) |
| Loss on ordinary activities before taxation | | (25) | (40) |
| Tax on loss on ordinary activities | 4 | - | - |
| Loss for the financial year | 8 | (25) | (40) |

All activity derives from continuing operations.

The profit and loss account for the year ended 30 September 2012 has been restated for the reasons explained in note 12.

There is no material difference between the loss on ordinary activities before taxation and the loss for the financial years stated above and their historical cost equivalents.

Health & Diet Food Company Limited

Statement of total recognised gains and losses for the year ended 30 September 2013

| | | 2013 | Restated |
|--|------|--------------|---------------|
| | Note | £'000 | 2012 £'000 |
| Loss for the financial year | | (25) | (40) |
| Actuarial gains/(losses) on pension scheme | 10 | 7 | - |
| Total recognised gains and losses relating to the year | | (18) | (40) |
| Prior year restatement to opening reserves | | (664) | |
| Prior year restatement to 2012 profit and loss account | | (40) | |
| Prior year restatement to 2012 statement of total recognised gains and losses for actuarial losses | | (433) | |
| Total recognised gains and losses since last annual report | | 1,155 | |

Health & Diet Food Company Limited

Balance sheet at 30 September 2013

| | Notes | 2013 £'000 | 2012 (as restated) £'000 |
|---|-------|---------------|--------------------------------|
| Current assets | | | |
| Debtors | 5 | 3,391 | 3,391 |
| | | 3,391 | 3,391 |
| Creditors: amounts falling due within one year | 6 | (936) | (704) |
| Net current assets | | 2,455 | 2,687 |
| Net assets excluding pension deficit | | 2,455 | 2,687 |
| Pension deficit | 10 | (219) | (433) |
| Net assets including pension deficit | | 2,236 | 2,254 |
| Capital and reserves | | | |
| Called up share capital | 7 | 360 | 360 |
| Profit and loss account | 8 | 1,876 | 1,894 |
| Total shareholders' funds | 9 | 2,236 | 2,254 |

The balance sheet as at 30 September 2012 has been restated for the reasons explained in note 12.

These financial statements on pages 7 to 20 were approved by the Board of Directors on 27th May 2014

Signed on behalf of the Board of Directors by:

C. Keen
Chief Financial Officer
27th May 2014



Health & Diet Food Company Limited

Notes to the financial statements for the year ended 30 September 2013

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Accounting convention

The financial statements have been prepared under the historical cost convention, on the going concern basis and in accordance with the Companies Act 2006 and applicable United Kingdom Accounting Standards.

The Company is exempt from producing a cash flow statement as required by Financial Reporting Standard 1 (Revised 1996) 'Cash flow statements' as it is a wholly owned subsidiary undertaking within the context of paragraph 5(a) of the standard. A consolidated group cash flow statement is presented in the financial statements of NBTY, Inc., which are publically available.

Taxation

The tax charge is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items which are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is provided, using the liability method, in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date at rates expected to apply when they crystallise based on current taxes and law. Timing differences arise from the inclusion of items of income and expenditure in tax computations different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Related party transactions

By virtue of the Company being a wholly owned subsidiary included in the accounts of a larger group, whose accounts are publicly available, the Company is exempt under Financial Reporting Standard 8 'Related party disclosures' from disclosing transactions or balances with other wholly owned entities which are part of the group that qualify as related parties.

Health & Diet Food Company Limited

Notes to the financial statements for the year ended 30 September 2013 (continued)

1 Accounting policies (continued)

Pension costs

The Company operates a contracted-out funded defined benefit pension scheme. The scheme funds are administered by trustees and are independent of the Company's finances.

Pension scheme assets are measured at fair values and liabilities are measured on an actuarial basis using the projected unit method and are discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. As the scheme relates to former employees of the Company there is no service cost charged to operating profit in accordance with Financial Reporting Standard 17 - Retirement benefits. The expected return on the scheme's assets and the increase during the year in the present value of the scheme's liabilities arising from the passage of time are included in other finance costs. Actuarial gains and losses are recognised in the statement of total recognised gains and losses. Pension scheme surpluses, to the extent that they are considered recoverable, or deficits, are recognised in full and presented on the face of the balance sheet.

2 Auditors' remuneration

Fees payable to the Company's auditors for the audit of the Company's annual financial statements amounted to £1,000 (2012: £nil). The audit fee was borne by Holland & Barrett Retail Limited, another group company, and no recharge was made to the company. No fees were paid to the auditors for non-audit services in the year (2012: £nil).

3 Directors' remuneration and employees

The directors received no remuneration in respect of their services to the Company (2012: £nil). The remuneration of the directors is borne by Holland & Barrett Retail Limited, another group company. No recharge is made to the Company (2012: £nil).

There were no employees in the Company in the year (2012: none).

Health & Diet Food Company Limited

Notes to the financial statements for the year ended 30 September 2013 (continued)

4 Tax on loss on ordinary activities

The tax charge is based on the loss for the year and comprises:

| | 2013 | 2012 |
|--|-------|-------|
| | £'000 | £'000 |

Current taxation

| | | |
|--|---|---|
| UK corporation tax at 23.5% (2012: 25%) based on loss for the year | - | - |
|--|---|---|

The tax assessed for the year is higher (2012: higher) than the standard rate of corporation tax in the UK of 23.5% (2012: 25%).

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

| | 2013 | 2012 |
|--|-------------|-------------|
| | £'000 | £'000 |
| Loss on ordinary activities before taxation | (25) | (40) |
| Loss on ordinary activities before taxation multiplied by the average rate of UK corporation tax for the year of 23.5% (2012: 25%) | (6) | (10) |
| Effects of | | |
| Group relief surrendered for nil consideration | 55 | 58 |
| Other short term timing differences | (49) | (48) |
| Current tax for the year | - | - |

A potential deferred tax asset in respect of the defined benefit pension scheme deficit (note 10) has not been recognised on the grounds that there is insufficient certainty of the availability of future taxable profits against which the asset could be offset. The estimated value of the deferred tax asset not recognised measured at the applicable rate of corporation tax of 20% (2012: 23%) is £43,780 (2012: £99,751).

The Finance Act 2012 was enacted in July 2012 and included legislation to reduce the main rate of corporation tax from 24% to 23% with effect from 1 April 2013. The current tax rate for the year is therefore 23.5%.

The Finance Act 2013 was enacted in July 2013 and included legislation to further reduce the main rate of corporation tax to 21% with effect from 1 April 2014 and 20% with effect from 1 April 2015. The 20% rate has been used as the basis for the calculation of the deferred tax position as at 30 September 2013, being the rate that was substantively enacted at the balance sheet date.

Health & Diet Food Company Limited

Notes to the financial statements for the year ended 30 September 2013 (continued)

5 Debtors

| | 2013 | 2012 |
|------------------------------------|-------|-------|
| | £'000 | £'000 |
| Amounts owed by group undertakings | 3,391 | 3,391 |

Amounts owed by group undertakings are unsecured and are repayable on demand. Interest is not charged on these amounts.

6 Creditors: amounts falling due within one year

| | 2013 | 2012 |
|------------------------------------|-------|-------|
| | £'000 | £'000 |
| Amounts owed to group undertakings | 936 | 704 |

Amounts owed to group undertakings are unsecured and are repayable on demand. Interest is not charged on these amounts.

7 Called up share capital

| | 2013 | 2012 |
|--|-------|-------|
| | £'000 | £'000 |
| Authorised | | |
| 500,000 (2012:500,000) ordinary shares of £1 each | 500 | 500 |
| Allotted and fully paid | | |
| 360,000 (2012: 360,000) ordinary shares of £1 each | 360 | 360 |

Health & Diet Food Company Limited

Notes to the financial statements for the year ended 30 September 2013 (continued)

8 Profit and loss account

| | £'000 |
|--|--------------|
| | Restated |
| At 1 October 2012 (as previously reported in 2012) | 3,031 |
| Prior year restatement (note 12) | (1,137) |
| At 1 October 2012 (as restated) | 1,894 |
| Loss for the financial year | (25) |
| Actuarial gains on pension scheme (note 10) | 7 |
| At 30 September 2013 | 1,876 |

9 Reconciliation of movements in total shareholders' funds

| | 2013 | 2012 |
|--|-------|---------|
| | £'000 | £'000 |
| At beginning of the year (as previously reported for 2012) | 2,254 | 3,391 |
| Loss for the year (as previously reported for 2012) | (25) | - |
| Actuarial gains/(losses) on pension scheme (note 10) (as previously reported for 2012) | 7 | - |
| At end of year (as previously reported for 2012) | 2,236 | 3,391 |
| Prior year restatement | - | (1,137) |
| | 2,236 | 2,254 |

Health & Diet Food Company Limited

Notes to the financial statements for the year ended 30 September 2013 (continued)

10 Pensions

The Company operates a funded defined benefit pension scheme in the UK, the Health & Diet Food Company Limited Pension and Life Assurance Scheme (1975). The assets of the scheme are held entirely in the form of a with-profits policy held with the Equitable Life Assurance Society. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries. It was assumed that the investment return pre and post retirement would be 7% and 6% respectively and that salary increases would average 6% per annum. At the date of the latest actuarial valuation, the market value of the assets was £1,050,000 which was sufficient to cover 78% of the benefits that had accrued to members, after allowing for expected future increases in pensionable remuneration. The actuarial deficit is being spread over the average remaining service lives of current members.

Contributions for the year ended 30 September 2013 were £224,000 (2012: £224,000). The contributions were made by a fellow group company and were recharged to the company via intercompany accounts.

The most recent full valuation of the company's defined benefit pension scheme, the Health & Diet Food Company Limited Pension and Life Assurance Scheme (1975), was performed on 1 October 2012. The major assumptions, as recommended by the scheme actuary, used to calculate the present value of the scheme liabilities were as follows:

| | At 30 September 2013 | At 30 September 2012 |
|--|-------------------------------------|----------------------------|
| Rate of increase in pensions in payment | 5.0% | 5.0% |
| Discount rate | 4.3% | 4.0% |
| Inflation assumption – Retail Prices Index (RPI) | 3.1% | 2.5% |
| Inflation assumption – Consumer Prices Index (CPI) | 2.4% | 1.8% |
| Expected return on assets | 2.9% | 2.1% |
| Rate of increases in deferred pensions | 2.4% | 1.8% |

Health & Diet Food Company Limited

Notes to the financial statements for the year ended 30 September 2013 (continued)

10 Pensions (continued)

The longevity assumptions used were as follows:

| | 2013 | 2012 |
|---|-------|-------|
| | Years | Years |
| Longevity at age 65 for current pensioners: | | |
| – Men | 88 | 88 |
| – Women | 90 | 90 |
| Longevity at age 65 for future pensioners: | | |
| – Men | 90 | 89 |
| – Women | 91 | 91 |

Employee benefit obligations

The amounts recognised in the balance sheet are as follows:

| | 2013 | 2012 |
|-------------------------------------|------------|------------|
| | £'000 | £'000 |
| Present value of funded obligations | 1,937 | 1,870 |
| Fair value of plan assets | (1,718) | (1,437) |
| Net pension deficit | 219 | 433 |

The amounts recognised in the profit and loss account are as follows:

| | 2013 | 2012 |
|----------------------------------|-----------|-----------|
| | £'000 | £'000 |
| Interest on obligation | 76 | 70 |
| Expected return on plan assets | (34) | (39) |
| Total other finance costs | 42 | 31 |

Health & Diet Food Company Limited

Notes to the financial statements for the year ended 30 September 2013 (continued)

10 Pensions (continued)

Analysis of the amount recognised in the statement of total recognised gains and losses:

| | 2013 | 2012 |
|---|----------|--------------|
| | £'000 | £'000 |
| Actuarial loss on the assets | (2) | (13) |
| Actuarial loss on the liabilities | (21) | (1) |
| Effect of change in assumptions | 30 | (419) |
| Total actuarial gains/(losses) in the statement of total recognised gains and losses | 7 | (433) |
| Cumulative amounts recognised in the statement of total recognised gains and losses | (492) | (499) |

Changes in the present value of the defined benefit obligation are as follows:

| | 2013 | 2012 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Opening defined benefit obligation | 1,870 | 1,380 |
| Interest cost | 76 | 70 |
| Actuarial losses | (9) | 420 |
| Closing defined benefit obligation | 1,937 | 1,870 |

There is no further accrual in the scheme; hence there is no current service cost.

Health & Diet Food Company Limited

Notes to the financial statements for the year ended 30 September 2013 (continued)

10 Pensions (continued)

Changes in the fair value of plan assets are as follows:

| | 2013 | 2012 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Opening fair value of plan assets | 1,437 | 1,187 |
| Expected return | 34 | 39 |
| Actuarial loss on assets | (2) | (13) |
| Contributions by employer | 224 | 224 |
| Equitable Life Payment Scheme compensation | 25 | - |
| Closing fair value of plan assets | 1,718 | 1,437 |

The Company expects to contribute £224,000 to the scheme in the next financial year. The actual gain on scheme assets in the financial year was £31,000 (2012: £26,000).

The major categories of plan assets as a percentage of total plan assets are as follows:

| | 2013 | | 2012 | |
|-------------------------------------|------|--------------|------|--------------|
| | % | £'000 | % | £'000 |
| Gilts | 60 | 1,031 | 56 | 805 |
| Corporate bonds | 29 | 498 | 28 | 402 |
| Property | 2 | 34 | 4 | 58 |
| Equities | - | - | - | - |
| Cash | 9 | 155 | 12 | 172 |
| Other | - | - | - | - |
| Total market value of assets | | 1,718 | | 1,437 |
| Present value of scheme liabilities | | (1,937) | | (1,870) |
| Pension deficit | | (219) | | (433) |

The equity investments and bonds which are held in plan assets are quoted and are valued at the current bid price.

The long-term expected rate of return on the with-profits assets was based on the expected rates of the underlying asset classes.

Health & Diet Food Company Limited

Notes to the financial statements for the year ended 30 September 2013 (continued)

10 Pensions (continued)

Amounts for the current and previous four years are as follows:

Defined benefit pension plans

| | 2013 | 2012 | 2011 | 2010 | 2009 |
|--|---------|---------|---------|---------|---------|
| Defined benefit obligation | (1,937) | (1,870) | (1,380) | (1,312) | (1,205) |
| Plan assets | 1,718 | 1,437 | 1,187 | 862 | 741 |
| Pension deficit | (219) | (433) | (193) | (450) | (464) |
| Less unrecognised pension asset | - | - | - | - | - |
| Pension deficit | (219) | (433) | (193) | (450) | (464) |
| Experience adjustments on plan liabilities | (21) | (1) | (32) | 24 | (381) |
| Experience adjustments on plan assets | (2) | (13) | 65 | 43 | (138) |

11 Related party transactions

The Company has taken advantage of the exemption granted by paragraph 3(c) of Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with other wholly owned subsidiaries in the NBTY, Inc. group.

12 Prior year restatement

Previously the Health and Diet Food Company Limited Pension and Life Assurance Scheme (1975) had been accounted for under FRS 17 in Nutrition Warehouse Limited, a fellow group company, in error. Health & Diet Food Company Limited is the legal sponsoring principal employer of the defined benefit scheme and considered by management to be the sole obligor of the scheme. In accordance with FRS 17 the Directors consider that accounting for the scheme and the associated costs in the company provides the most reasonable and appropriate basis on which to allocate the scheme's costs and liabilities. In accordance with FRS 3 the Directors consider that the previous accounting for the scheme was a fundamental error and requires restatement.

In order to reflect this change the comparative balance sheet, statement of total recognised gains and losses, profit and loss account and certain notes to the financial statements have been restated.

Health & Diet Food Company Limited

Notes to the financial statements for the year ended 30 September 2013 (continued)

12 Prior year restatement (continued)

The effect of the prior year adjustment is as follows:

| | 2012 as previously stated £'000 | Prior year adjustment £'000 | 2012 restated £'000 |
|-----------------------------|--|-----------------------------------|---------------------------|
| Loss for the financial year | - | (40) | (40) |
| Net assets | 3,391 | (1,137) | 2,254 |

13 Ultimate parent company

The Company's immediate parent undertaking is Health & Diet Group Limited, a company incorporated in Great Britain and registered in England and Wales.

The Company's ultimate parent undertaking and controlling party is The Carlyle Group, a company incorporated in the United States of America.

The largest and only group in which the results of the Company are consolidated is that headed by NBTY, Inc., an intermediate parent company.

Copies of NBTY, Inc.'s consolidated financial statements may be obtained from NBTY, Inc., 2100 Smithtown Avenue, Ronkonkoma, New York 11779, USA.