

Herbalife (U.K.) Limited

Annual report and financial statements

Registered number 1710199

31 December 2014

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Officers and professional advisors

DIRECTORS

RE Hobby
RP Goudis
NA Spiers
MJ Bartlett

SECRETARY

TMF Corporate Administration Services Limited (incorporating the business of Clifford Chance Secretaries)
5th Floor
6 St Andrew Street
London
EC4A 3AE

REGISTERED OFFICE

The Atrium
1 Harefield Road
Uxbridge
Middlesex
United Kingdom
UB8 1HB

BANKERS

Barclays Bank Plc

SOLICITORS

Clifford Chance

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
The Atrium
1 Harefield Road
Uxbridge
Middlesex
United Kingdom
UB8 1EX

Strategic report

The directors present their strategic report of the Company for the year ended 31 December 2014.

Principal activities

Herbalife (U.K.) Limited is a trading company which markets, through direct sales, weight management products, dietary supplements and personal care products within the United Kingdom.

Results and business review

Overview

Herbalife (U.K.) Limited controls sales to UK, Ireland, Iceland and Cyprus. The key performance indicators used to measure the business are turnover and operating profit.

Current year turnover increased by 15% from £44,381,931 (2013) to £51,024,162 (2014) for the company.

Current year operating results decreased from a profit of £1,927,947 (2013) to a profit of £1,341,324 (2014). This is a result of an increase in distribution costs and administrative expenses which is mainly due to an increase in the exchange losses in the year of £663,965.

Objectives and strategy

The Company is focusing on ways to increase Herbalife brand awareness among potential customers and distributors. We are committed to providing our distributors with unique, innovative products to help them increase their sales, recruit new distributors and retain them.

Herbalife (U.K.) Limited works closely with its Distributors (hereafter referred to as ‘Members’) to improve the sustainability of the businesses they have created to market our products to consumers. These relationships allow us to identify successful marketing efforts and programs developed by one or more Members and disseminate those techniques to other Members.

Our product strategy is focused on providing high-quality, science-based products that can support a healthy active lifestyle for Members and their customers in the areas of weight management; targeted nutrition everyday wellness and healthy aging; energy, sports & fitness; and outer nutrition. Additionally, to support our daily consumption initiatives, our product strategy includes projects such as seasonal flavours of our meal replacement shake, new flavours of top selling products and various package sizes. We aim to have at least one major product launch each year, timed around our major regional Member education and training events. These launches generally target specific product categories and markets we deem strategic to our business.

To increase our brand awareness we and our Members have entered into numerous marketing alliances. Herbalife UK Ltd. sponsorships of and partnerships with featured athletes, teams and events promote brand awareness, the use of Herbalife products, and ‘‘Better living through nutrition.’’ We continue to build brand awareness and work towards becoming the most trusted brand in nutrition. We also work to leverage the power of our Member base as a marketing and brand-building tool. We maintain a brand style guide and brand asset library so that our Members have access to the Herbalife brand logo and marketing materials for use in their marketing efforts.

Herbalife (U.K.) Limited is the sole shareholder of Herbalife Europe Limited which is the group’s EMEA service centre and Herbalife (U.K.) Limited is one of the clients for these central services.

Markets

The Company operates in the UK, Ireland, Iceland and Cyprus. Our opportunity for future growth is to develop and further penetrate existing markets through various growth strategies.

Performance

As noted above the business continued to perform well during the tough economic environment in 2014.

Strategic report (continued)

Principal Risks & Uncertainties

Herbalife (U.K.) Limited is a network marketing company and it only sells to registered distributors. These sales are paid prior to shipment and, therefore, the Company does not experience significant credit risk for these sales.

The Company owns only a small value of inventory and a reserve is created for any inventory obsolescence.

With the aforementioned credit policy and small value of inventory the Company does not experience significant liquidity risk.

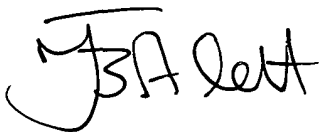
Allowances for product returns in respect of the buyback programme are provided at the time the product is shipped. The accrual is based on historic return rates of sales and the relevant return pattern, which reflects anticipated returns to be received over a period of up to 12 months following the original sale. Due to the minor number and cost of buybacks in 2014, it is felt that there is no significant risk in relation to this and the provision held at year-end is adequate.

The majority of the Company's customers and suppliers are in the United Kingdom. The foreign currency exposure arising from this small proportion of foreign currency customers and suppliers is deemed low risk by the directors. The directors will revisit the appropriateness of this policy should the Company's operations change in size or nature.

The Company actively manages its cash balances. These measures are designed to ensure the Company has sufficient available funds for operations.

The Company has variable interest bearing assets and liabilities. The Company does not hedge its exposure to variations in interest rates but will continue to keep its policy under review in this regard.

On behalf of the board



MJ Bartlett
Director

The Atrium
1 Harefield Road
Uxbridge
Middlesex
UB8 1HB
29 September 2015

Directors' report

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

Results and dividends	£
Retained earnings as at 1 st January 2014	3,634,566
Profit for the current year after taxation	1,206,114
Dividend declared to parent company	(3,000,000)
Retained earnings at 31 st December 2014	1,840,680

During the year the directors recommended an interim dividend to be paid of £3,000,000 (2013: nil£).

Political and Charitable Donations

The company made nil political and charitable donations in 2014 (2013: £nil).

Share issues

No share issues were made during the financial year.

Employees

The Company is committed to maintaining a healthy, safe and productive work environment free from discrimination. We continue to invest in talent development to ensure we have sufficient capable human capital to support long-term growth and meet business requirements. We are committed to our employees' professional and personal development. As a Company, we also encourage employees to lead healthy lifestyles.

Directors and directors' interests

The directors who held office during the year and who currently hold office are as follows:

RE Hobby;
RP Goudis;
MJ Bartlett;
NA Spiers

Directors' Indemnities

Herbalife Ltd maintains liability insurance for its directors. For the purposes of the Companies Act 2006, Herbalife Ltd provides indemnity insurance for the Company's directors and company secretary for qualifying third party provisions, this insurance was in place for the full year ending 31st December 2014 and remains in place at the date of signing of these financial statements.

Independent Auditors

PricewaterhouseCoopers LLP have been appointed as auditors of Herbalife (U.K.) Limited under Section 485 of the Companies Act 2006.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Directors' report *(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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

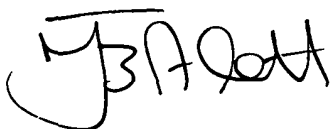
Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

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

On behalf of the board



MJ Bartlett
Director

The Atrium
1 Harefield Road
Uxbridge
Middlesex
UB8 1HB
29 September 2015

Independent auditors' report to the members of Herbalife (U.K.) Limited

Report on the financial statements

Our opinion

In our opinion, Herbalife (U.K.) Limited's financial statements (the "financial statements"):

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

What we have audited

The financial statements comprise:

- the Balance Sheet as at 31 December 2014;
- the Profit and Loss Account for the year then ended; 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 the preparation of the financial statements 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.

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.

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 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Independent auditors' report to the members of Herbalife (U.K.) Limited (continued)

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) ("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.

What an audit of financial statements involves

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

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

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

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

In addition, we read all the financial and non-financial information in the Annual report and financial statements 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.



Christopher Maw (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Uxbridge
30 September 2015

Profit and loss account
for the year ended 31 December 2014

	<i>Note</i>	2014 £	<i>Restated</i> 2013 £
Turnover	2	51,024,162	44,381,931
Cost of sales		(22,331,738)	(19,561,367)
		<hr/>	<hr/>
Gross profit		28,692,424	24,820,564
Distribution costs		(17,816,396)	(15,339,133)
Administrative expenses		(9,534,704)	(7,553,484)
		<hr/>	<hr/>
Operating profit		1,341,324	1,927,947
Interest receivable and similar income	6	221,496	193,383
Interest payable and similar charges	7	(17,350)	(16,134)
		<hr/>	<hr/>
Profit on ordinary activities before taxation	3	1,545,470	2,105,196
Tax on profit on ordinary activities	8	(339,356)	(493,359)
		<hr/>	<hr/>
Profit for the financial year	18	1,206,114	1,611,837
		<hr/> <hr/>	<hr/> <hr/>

All amounts derive from continuing operations.

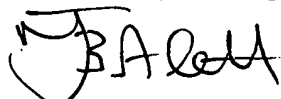
There are no recognised gains or losses other than the profit for the current and prior year.

In 2014 the company reclassified discounts on sales, which was previously disclosed under Cost of sales to Turnover. The comparative figures for both Turnover and Cost of sales have been amended accordingly by £4,694,978 (previously disclosed as: Turnover -£49,076,910 and Cost of Sales - £24,256,346).

Balance sheet
at 31 December 2014

	<i>Note</i>	2014		Restated	
		£	£	2013	£
Fixed assets					
Investments	9		484		484
Current assets					
Stocks	10	329,762		239,427	
Debtors	12	3,845,675		2,874,906	
Cash at bank and in hand (includes £3,564,734 (2013: £5,460,375) which is subject to restrictions)	11	6,483,448		9,852,254	
		<u>10,658,885</u>		<u>12,966,587</u>	
Creditors: amounts falling due within one year	13	<u>(7,489,639)</u>		<u>(8,001,285)</u>	
Net current assets			<u>3,169,246</u>		<u>4,965,302</u>
Total assets less current liabilities			<u>3,169,730</u>		<u>4,965,786</u>
Provisions for liabilities	14		(19,050)		(21,220)
Net assets			<u>3,150,680</u>		<u>4,944,566</u>
Capital and reserves					
Called up share capital	16		10,000		10,000
Share premium account	17		1,297,000		1,297,000
Capital redemption reserve	17		3,000		3,000
Profit and loss account	17		1,840,680		3,634,566
Total shareholder's funds	18		<u>3,150,680</u>		<u>4,944,566</u>

These financial statements on pages 8 to 18 were approved by the board of directors of Herbalife (U.K.) Limited (registered number: 1710199) on 29 September 2015 and were signed on its behalf by:



MJ Bartlett
Director

Notes

(Forming part of the financial statements)

1. Accounting policies

The following accounting policies have been applied consistently, other than as disclosed below, in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Under FRS 1 Cash Flow Statements the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of Herbalife International Inc, the company has taken advantage of the exemption contained in FRS 8 Related Party Transactions and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Herbalife International Inc. within which this company is included, can be obtained from the address given in note 20.

Stock

Stock is stated at the lower of cost and net realisable value. Cost comprises purchase price and costs attributable to inbound freight and duty. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs.

Fixed asset investments

Fixed asset investments are stated at cost less provision for diminution in value.

Post-retirement benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting year.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 Deferred Tax.

Turnover and revenue recognition

Turnover from external sales represents amounts invoiced in respect of sales of products and freight and handling costs exclusive of value added tax. Revenue is recognised when products are shipped and title passes to the independent distributor.

On the resignation of a distributor the company agrees, in certain circumstances, to buy back the remaining stock of that distributor. Allowances for product returns in respect of this buyback programme are provided at the time the product is shipped. The accrual is based on historic return rates of sales and the relevant return pattern, which reflects anticipated returns to be received over a period of up to 12 months following the original sale.

Notes (continued)

1. Accounting policies (continued)

Foreign exchange

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Leases

Operating lease rentals are charged to income in equal annual amounts over the lease term.

Royalty overrides

In accordance with Herbalife Marketing Plan, royalty payments are made to Distributors. These payments relate to sales and are made in the month following the actual sale. These payments are accrued in the month of the sale.

Dividends

Dividends are only recognised as a liability to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Restricted cash at banks

Included in cash as banks are restricted cash balances in Icelandic banks which is subject to certain procedures implemented by the Icelandic Central Bank to be completed prior to the withdrawal of funds, which may delay the repatriation of the balances held.

Comparative figures

In the current year the company reclassified restricted bank accounts balances with a value of £5,460,375, which was previously disclosed as liquid resources, to cash at bank and in hand.

2. Turnover

The analysis of turnover by geographical market is as follows:

	2014 £	<i>Restated</i> 2013 £
European community	47,670,377	41,236,371
Other	3,353,785	3,145,560
	<u>51,024,162</u>	<u>44,381,931</u>

All turnover relates to sales to external distributors.

Notes *(continued)*

3. Profit on ordinary activities before taxation

	2014	2013
	£	£
<i>Profit on ordinary activities before taxation is stated after charging/(crediting):</i>		
Hire of plant and machinery - rentals payable under operating leases	32,594	28,844
Hire of other assets - operating leases	58,833	42,015
Exchange (gains)/losses	417,997	(245,968)
Service fees paid to group companies	4,670,022	4,383,208
Bank charges	20,875	15,125
	4,790,321	4,518,225
 <i>Auditors' remuneration:</i>		
	2014	2013
	£	£
Audit of these financial statements	41,250	24,000
	41,250	24,000

4. Remuneration of directors

None of the directors (2013: none) received emoluments for their services as a director from the company during the year. The directors were remunerated by other group companies and no recharges were made. It is not possible to apportion the proportion of these directors' work that was performed for the company.

Notes *(continued)*

5. Staff numbers and costs

The monthly average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	2014	2013
	No of Employees	No of Employees
Management, finance and secretarial	13	10
Order processing and distributor relations	19	12
	<hr/> 32 <hr/>	<hr/> 22 <hr/>

The aggregate payroll costs of these persons were as follows:

	2014	2013
	£	£
Wages and salaries	865,995	650,225
Social security costs	112,461	75,265
Other pension costs	29,247	14,072
Other employee costs	204,568	150,726
	<hr/> 1,212,271 <hr/>	<hr/> 890,288 <hr/>

6. Interest receivable and similar income

	2014	2013
	£	£
Bank interest	180,926	155,385
Interest receivable from group companies	34,849	34,407
Other	5,721	3,591
	<hr/> 221,496 <hr/>	<hr/> 193,383 <hr/>

Notes (continued)

7. Interest payable and similar charges

	2014 £	2013 £
Bank interest	17,232	14,771
Other interest & charges	118	1,363
	17,350	16,134
	17,350	16,134

8. Taxation on profit on ordinary activities

Analysis of charge in the year

	2014 £	2013 £
<i>UK corporation tax at 21.50% (2013:23.25%)</i>		
Current tax for the year	339,494	492,756
Deferred tax (see note 15)	(138)	603
	339,356	493,359
	339,356	493,359

Changes to the UK corporation tax rates were announced in the Chancellor's Budget on 8 July 2015. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 18% from 1 April 2020.

As the changes had not been substantively enacted at the balance sheet date their effects are not included in these financial statements. The directors are of the opinion that the financial effect of these rate reductions will not be significant. *Factors affecting the tax charge for the current year*

The current tax charge for the year is higher (2013: higher) than the effective rate of corporation tax in the United Kingdom of 21.50% (2013: 23.25%). The differences are explained below.

	2014 £	2013 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	1,545,470	2,105,196
	1,545,470	2,105,196
Current tax at 21.50% (2013:23.25%)	332,276	489,458
<i>Effects of:</i>		
Depreciation in excess of capital allowances	(298)	(394)
Deductible on paid basis	446	53
Items disallowable for corporation tax	9,007	5,709
Dividends received from non-UK resident companies	(1,937)	(2,070)
	(298)	(394)
Total current tax charge (see above)	339,494	492,756

Notes (continued)

9. Investments

<i>Cost & Net Book Value</i>	Shares in subsidiary undertaking
At beginning and end of year	£
	484
	<u>484</u>

The Company's investments represent the entire issued share capital of Herbalife Europe Limited (an administrative services company incorporated in the UK) and holdings in group undertakings in Portugal (1%) and Spain (0.09%) entities.

10. Stock

	2014	2013
	£	£
Finished goods and goods for resale	329,762	239,427
	<u>329,762</u>	<u>239,427</u>

11. Cash at bank and in hand

	2014	Restated 2013
	£	£
Cash at banks	6,483,448	9,852,254
	<u>6,483,448</u>	<u>9,852,254</u>

Of the total amounts shown, £3,564,734 (2013: £5,460,375) is held in Icelandic banks subject to exchange regulations which may delay repatriation.

12. Debtors

	2014	2013
	£	£
Amounts owed by group undertakings	2,676,296	1,553,061
Other debtors	1,065,090	1,119,626
Deferred tax asset (note 15)	1,907	1,769
Prepayments and accrued income	102,382	200,450
	<u>3,845,675</u>	<u>2,874,906</u>

Notes *(continued)*

13. Creditors: amounts falling due within one year

	2014	2013
	£	£
Trade creditors	246,086	12,767
Amounts owed to group undertakings	2,555,173	3,292,573
Corporation tax payable	136,748	98,306
Other creditors including social security	181,883	878,726
Accruals and deferred income	4,369,749	3,718,913
	7,489,639	8,001,285
	7,489,639	8,001,285

14. Provisions for liabilities and charges

	Provision for stock buy- back £
At beginning of year	21,220
Utilised during the year	(16,464)
Charges to the profit and loss for the year	14,294
	19,050
At end of year	19,050

On the resignation of a distributor the company agrees, in certain circumstances, to buy back the remaining stock of that distributor. Allowances for product returns in respect of this buyback programme are provided at the time the product is shipped. The accrual is based on historic return rates of sales and the relevant return pattern, which reflects anticipated returns to be received over a period of up to 12 months following the original sale.

Notes (continued)

15. Deferred tax asset

The elements of deferred taxation are as follows:

	2014 £	2013 £
Difference between accumulated depreciation and amortisation and capital allowances	1,265	1,543
Other timing differences	642	226
	1,907	1,769
Deferred tax asset	1,907	1,769
	2014 £	2013 £
Opening balance at 1 January	1,769	2,372
Charged to the profit and loss account	138	(603)
	1,907	1,769
Balance at 31 December	1,907	1,769

16. Called up share capital

	2014 £	2013 £
<i>Allotted, called up and fully paid</i>		
10,000 (2013: 10,000) Ordinary shares of £ 1 each	10,000	10,000
	10,000	10,000

17. Share premium and reserves

	Share premium account £	Capital redemption reserve £	Profit and loss account £
At beginning of year	1,297,000	3,000	3,634,566
Profit for the financial year	-	-	1,206,114
Dividend paid to parent company			(3,000,000)
	1,297,000	3,000	1,840,680
At end of year	1,297,000	3,000	1,840,680

Notes *(continued)*

18. Reconciliations of movements in shareholder's funds

	2014	2013
	£	£
Opening shareholder's funds	4,944,566	3,332,729
Profit for the financial year	1,206,114	1,611,837
Dividend paid to parent company	(3,000,000)	-
Closing shareholder's funds	3,150,680	4,944,566

During the year the directors recommended and paid a dividend of £300 per share (2013: £nil).

19. Pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £29,247 (2013: £14,072).

Contributions amounting to £3,210 (2013: £1,131) were payable to the scheme by and are included in creditors.

20. Ultimate parent company and parent undertaking of larger group of which the company is a member

The company's immediate parent company is Herbalife International Inc., a company incorporated in the USA. This is the parent company of the smallest group into which the results of the company are consolidated.

The company's ultimate parent company and controlling party is Herbalife Ltd, a company incorporated in the Cayman Islands.

A copy of the group financial statements may be obtained from Herbalife International Inc., 800 West Olympic Boulevard, Suite 406, Los Angeles, California 90015, USA.