

RAPID NUTRITION PLC
INTERIM FINANCIAL STATEMENTS
31 Dec 2017

RAPID NUTRITION PLC

RESPONSIBILITY STATEMENT AS AT 31 DECEMBER 2017

The Directors of Rapid Nutrition PLC and its controlled entity (“the Group”) confirm that, to the best of our knowledge

- a. The condensed set of consolidated financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting” and all relevant pronouncements of *the companies ACT 2006*
- b. The condensed set of consolidated financial statements give a true and fair view of the Group’s financial position as at 31 December 2017 and of its performance for the interim period ended on that date.
- c. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

By order of the Board



Simon St. Ledger

Managing Director

29th March 2018

RAPID NUTRITION PLC

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD END 31 DECEMBER 2017

	Note	31-Dec-17	30-Jun-17	30-Jun-16
Income				
Revenue	4	1,569,494	1,920,284	1,504,223
Total Income		1,569,494	1,920,284	1,504,223
Less Cost of Sales				
Opening Stock		73,466	104,284	61,059
Direct costs		452,319	545,490	290,393
Closing Stock		-52,480	-73,466	-104,284
Total Cost of Sales		473,304	576,308	247,168
Gross Profit / (Loss)		1,096,190	1,343,976	1,257,055
Less Operating Expenses				
Administrative expenses		899,105	1,035,781	727,815
Total Operating Expenses		899,105	1,035,781	727,815
Operating Profit / (Loss)		197,085	308,195	529,240
Unrealised gain of financial assets		-	-38,088	463,446
Foreign Currency Gains / (Losses)		-	217,584	83,276
Net Profit / (Loss) for the period		197,085	487,691	1,075,962
Tax Expenses		0	47,490	-12,759
Net Profit/(loss) for the period attributable to member of the company		197,085	440,201	1,088,721
Other comprehensive income		0	94,633	488,666
Total comprehensive income for the period attributable to member of the company		197,085	534,834	1,577,387
Basic & Diluted earnings per share	5	0.01	0.02	0.07

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	Note	31-Dec-17	30-Jun-17	30-Jun-16
Assets				
Current Assets				
Cash and cash equivalents		35,011	42,096	33,510
Trade and other receivables		3,078,955	1,574,876	739,082
Prepayment		1,103,367	1,706,869	1,601,795
Inventory		52,480	73,466	104,284
Financial Assets	6	3,515,125	3,496,465	3,316,969
Other Asset		30,023	-	-
Loans		0	-	-
Total Current Assets		7,814,961	6,893,772	5,795,640
Non-current Assets				
Investments		59	59	226,040
Property, plant and equipment		2,674	1,944	-
Intangible Assets		74,744	1,245	1,169
Total Non-current Assets		77,477	3,248	227,209
Total Assets		7,892,438	6,897,020	6,022,849
Liabilities				
Current Liabilities				
Trade and other payables		1,374,663	508,440	373,328
Borrowings - C		684,720	722,843	715,138
Other Payables		0	27,928	439
Total Current Liabilities		2,059,383	1,259,211	1,088,905
Non-Current Liabilities				
Tax and other related		443,205	664,328	663,394
Borrowings - NC		241,742	160,436	133,340
Deposit		117,610	141,001	-
Total Non-Current Liabilities		802,558	965,765	796,734
Total Liabilities		2,861,940	2,224,976	1,885,639
Net Assets		5,030,497	4,672,044	4,137,210

RAPID NUTRITION PLC

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

Equity

Shares	17,962,253	17,962,253	17,962,253
Share Premium	102,443	102,443	102,443
Merger Reserve	-17,304,970	-17,304,970	-17,304,970
Foreign Exchange	169,098	7,730	-86,904
Retained Earnings	4,101,673	3,904,588	3,464,388
Total Equity	5,030,497	4,672,044	4,137,210

These financial statements were approved and authorised for release by the Directors on the 29th March, 2018 and are signed on its behalf by:



Simon St Ledger
Director

Company registration number: 07905640

RAPID NUTRITION PLC

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	Ordinary Share Capital	Share Premium	Merger Reserve	Retained Earnings	Total Equity
		\$		\$	\$	\$
Opening balance 01 July 2015						
Comprehensive Income						
Profit for the year		-	-	-	1,577,387	1,577,387
Total comprehensive income for the year		-	-	-	1,577,387	1,577,387
Balance as at 30 June 2016		17,962,253	102,443	(17,304,970)	3,377,484	4,137,210
Opening balance 01 July 2016						
Comprehensive Income						
Profit for the year			-	-	534,834	534,834
Total comprehensive income for the year		0	-	-	534,834	534,834
Balance as at 30 June 2017		17,962,253	102,443	(17,304,970)	3,912,318	4,672,044
Opening balance 01 July 2017						
Comprehensive Income						
Profit for the year			-	-	197,085	197,085
Total comprehensive income for the year		0	-	-	197,085	197,085
Balance as at 31 December 2017		17,962,253	102,443	(17,304,970)	4,270,771	5,030,497

RAPID NUTRITION PLC

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	31-Dec-17	30-Jun-17
		\$	\$
Cash flows from operating activities			
Receipts from customers		266,601	1,084,486
Payments to suppliers and employees		-596,104	-1,275,893
Cash receipts from other operating activities		42,085	141,001
Cash payments from other operating activities		--74,704	
Net cash used by operating activities		-362,122	-50,406
Cash flows from investing activities			
Purchase of plant and equipment		-1,390	-3,303
Payments for intangibles			
Other cash items from investing activities			
Net cash used by investing activities		-1,390	-3,303
Cash flows from financing activities			
Proceeds from issue of shares			
Costs of issue of shares			
Proceeds from borrowings		356,658	62,291
Proceeds from related party borrowings			
Payment for Finance Lease			
Loans advanced			
Other cash items from financing activities			
Net cash used by financing activities		356,658	62,291
Increase/(decrease)in cash and cash equivalents		-6,854	8,582
Cash and cash equivalents at the beginning of the period		42,096	33,514
Provision for Exchange Rate		-231	
Cash and cash equivalents at the end of the period		35,011	42,096

RAPID NUTRITION PLC

MANAGEMENT REVIEW REPORT THE

MEMBERS OF RAPID NUTRITION PLC

AS AT 31 DECEMBER 2017

The consolidated financial statements and notes represent those of Rapid Nutrition PLC and its subsidiary (“the consolidated group” or “group”), for the year to 31 December 2017.

1. General Information

The information for the period ended 31 December 2017 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that period has been delivered to the Registrar of Companies. The auditors reported on those accounts: their report was unqualified, drew attention to the Group’s going concern status by way of emphasis, and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

2. Accounting Policy

Basis of preparation

The statutory financial statements of Group plc are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of consolidated financial statements included in this interim financial report has been prepared in accordance with International Accounting Standard 34 ‘Interim Financial Reporting’, as adopted by the European Union.

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.

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 settlement of substantial receivable balances, funding via equity and debt, continued support of shareholders through short term loans, and successful realisation of revenue growth via the company’s plans for successful launch of company’s new product lines. On this basis, the Directors believe there are sufficient funds to meet the Group’s working capital requirements going forward.

The company’s cash position has strengthened post 31 December 2017 due to trade receivables being received.

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.

Changes in accounting policy

For the current, interim financial period, the Group has noted no amendments to International Accounting Standards that will be effective for the first time. As such, the same accounting policies, presentation and methods of computation are followed in the condensed set of financial statements as applied in the Group’s latest statutory audited financial statements.

RAPID NUTRITION PLC
MANAGEMENT REVIEW REPORT THE
MEMBERS OF RAPID NUTRITION PLC
AS AT 31 DECEMBER 2017

4. Revenue

	Period from 1 July 2017 to 31 December 2017	Period from 1 July 2016 to 30 June 2017	Period from 1 July 2015 to 30 June 2016
Distributor/Direct Sales	1,146,869	446,949	110,559
Licensing Fee/Other	422,625	1,473,335	1,393,664
Total Revenue	1,569,494	1,920,284	1,504,223

5. Earnings per share

The following reflects earning and share data used in thee earnings per share calculation

	Period from 1 July 2017 to 31 December 2017	Period from 1 July 2016 to 30 June 2017	Period from 1 July 2015 to 30 June 2016
Profit for the year	197,085	534,834	1,577,387
Weighted average number of shares	23,265,104	23,265,104	23,265,104

RAPID NUTRITION PLC
MANAGEMENT REVIEW REPORT THE
MEMBERS OF RAPID NUTRITION PLC
AS AT 31 DECEMBER 2017

6. Financial Asset

Financial assets measured at fair value through profit or loss

Financial assets held for trading:

- Investments in equity instruments held for trading

	Period from 1 July 2017 to 31 December 2017	Period from 1 July 2016 to 30 June 2017	Period from 1 July 2015 to 30 June 2016
Held for Trading Motivideo Shares	3,515,125	3,515,125	3,515,125

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

Unrealized gains	\$
Value to 31 December 2017	3,515,125
Value at Period end	3,515,125

**RAPID NUTRITION PLC
MANAGEMENT REVIEW REPORT THE
MEMBERS OF RAPID NUTRITION PLC
AS AT 31 DECEMBER 2017**

Dear Shareholders,

Rapid, a natural healthcare company focused on the research and development, manufacturing and distribution of weight-loss and diet management products, sports nutrition products, vitamins and dietary supplements and a range of life science products is pleased to announce an operational update.

The first half of the new financial year 2018 has begun strongly and trading is in line with the Company's expectations. Excellent progress has been made across the business with a number of key distribution partners secured in the US, China and Australia further supporting the Company's growth strategy.

US

The Americas is a core market for the business and Rapid continues to make inroads in this large and complex market having extended its distribution to Amazon, the largest internet retailer in the world for System LS™ and the product range is expected to be available online by the end of this month. In addition, the Company has secured a number independent retail accounts since the year ended 30 June 2017 and is in discussions with other distribution partners.

China

SystemLS™ has been approved in several categories in preparation for expanding its brand presence in China. The Company has also a Tmall website presence to establish a Direct to Consumer ("DTC") platform for its brand which is being supported by extending the company's audience of followers on WeChat, China's leading social media platform with nearly 1 billion users. Tmall is a Chinese-language website for business to consumer online retail operated in China by Alibaba Group.

UK

Rapid is seeking to expand in the UK and is in discussions with a number of retail partners in addition to establishing its own DTC platform and social media campaigns. To support its growth strategy and entry into the UK, the Company has appointed Iain Lang as Senior Manager (UK). Iain has extensive experience in nutraceuticals. He is the Managing Director of KickStand Marketing, a marketing agency specialising in health and wellness and has previously worked for Ceuta Healthcare where he was responsible for the sales and marketing of a client portfolio of vitamins and mineral supplements.

**RAPID NUTRITION PLC
MANAGEMENT REVIEW REPORT THE
MEMBERS OF RAPID NUTRITION PLC
AS AT 31 DECEMBER 2017**

AUSTRALIA

Our performance in Australia continues to make good progress and we have secured a number of new retailers including Drakes Supermarkets, the largest independent grocery retailer in Australia with more than 50 stores in South Australia and Queensland. The Company's products will be made available to all of Drakes' Supermarkets from the third quarter of FY 2018. The Company's joint venture with Venture Health is progressing well and will provide a stronger foothold in its home market and support revenue generation.

Rapid is making excellent progress internationally and we are delighted to have secured a number of key retail partners in the US. The business is transitioning from a licensing model to a distribution model with the objective of becoming vertically integrated and our strategy to grow our distribution channels both in retail stores, online and through our DTC platform is well under way. We are excited about the Company's prospects and confident of our performance in 2018.

Directors' responsibilities

The interim financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority. This report is made solely to the Company and to the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed. As disclosed in note 2, the statutory financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of consolidated financial statements included in this interim financial report has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting", as adopted by the European Union.

Our responsibility is to express to the Company a conclusion on the condensed set of consolidated financial statements in the interim financial report based on our review.

Thank you for your time and support.



Sincerely,

Simon St. Ledger
Director