

Company Registration No. 249879 (England and Wales)

A NELSON & CO LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2005



A NELSON & CO LIMITED

COMPANY INFORMATION

Directors	R W Wilson R N Wilson P R Wilson N G Kirkbride M C Dunne J G Houlihan M Turrell
Secretary	M C Dunne
Company number	249879
Registered office	Nelsons House 83 Parkside Wimbledon London SW19 5LP
Auditors	Saffery Champness Lion House Red Lion Street London WC1R 4GB
Bankers	Fortis Bank 23 Camomile Street London EC3A 7PP

A NELSON & CO LIMITED

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A NELSON & CO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005

The directors present their report and financial statements for the year ended 31 December 2005.

Principal activities and review of the business

The principal activity of the company continued to be that of the manufacture and sale of healthcare medicines.

Turnover increased by 4.4% on the previous year in line with expectations. It is estimated that a proportion of the company's UK sales were subsequently resold to export markets.

Results and dividends

The results for the year are set out on page 5.

The company's profit for the year after taxation was £5,035,878 (2004: £4,676,983). Interim dividends were paid in the year of £48.65 per ordinary share, amounting to £3,648,635 (2004: £48.89 and £3,666,900 respectively). The company's retained profit was £1,387,243 (2004: 1,010,083) which has been transferred to reserves.

Future developments

The directors are continually seeking further markets for the distribution of the company's products.

Directors

The following directors have held office since 1 January 2005:

R W Wilson
R N Wilson
P R Wilson
N G Kirkbride
M C Dunne
J G Houlihan
M Turrell

Directors' interests

None of the directors had a direct interest in the ordinary shares of the company.

The interests of the directors in the shares of the ultimate parent undertaking, Nelson & Russell Holdings Limited, are shown in the accounts of that company.

A NELSON & CO LIMITED

**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2005**

Charitable donations	2005	2004
	£	£
During the year the company made the following payments:		
Charitable donations	6,550	7,493

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Saffery Champness be reappointed as auditors of the company will be put to the Annual General Meeting.

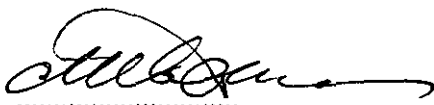
Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

On behalf of the board



M C Dunne

Director

26 April 2006

A NELSON & CO LIMITED

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF A NELSON & CO LIMITED**

We have audited the financial statements on pages 5 to 18. These financial statements have been prepared in accordance with the accounting policies set out therein.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

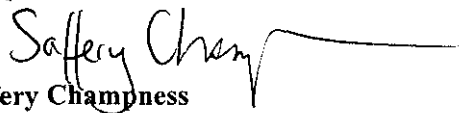
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

A NELSON & CO LIMITED

**INDEPENDENT AUDITORS' REPORT (continued)
TO THE MEMBERS OF A NELSON & CO LIMITED**

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Saffery Champness

Chartered Accountants
Registered Auditors

27 April 2006

Lion House
Red Lion Street
London
WC1R 4GB

A NELSON & CO LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2005**

		2005	2004
	Notes	£	as restated £
Turnover	2	24,965,247	23,920,942
Cost of sales		(6,788,429)	(6,910,419)
Gross profit		18,176,818	17,010,523
Administrative expenses		(15,081,088)	(14,182,907)
Operating profit	3	3,095,730	2,827,616
Investment income	4	2,900,000	2,800,000
Other interest receivable and similar income		13,794	14,896
Interest payable and similar charges	5	(10,982)	-
Profit on ordinary activities before taxation		5,998,542	5,642,512
Tax on profit on ordinary activities	6	(962,664)	(965,529)
Profit on ordinary activities after taxation		5,035,878	4,676,983
Dividends	7	(3,648,635)	(3,666,900)
Retained profit for the year	17	1,387,243	1,010,083

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

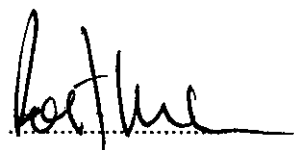
The notes on pages 7 to 18 form part of these financial statements.

A NELSON & CO LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2005**

		2005		2004 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	8	1,463,817		1,565,265	
Investments	9	4,391,706		4,391,706	
		<u>5,855,523</u>		<u>5,956,971</u>	
Current assets					
Stocks	10	1,727,629		1,573,823	
Debtors	11	6,246,982		5,786,026	
Cash at bank and in hand		1,223,598		1,375,213	
		<u>9,198,209</u>		<u>8,735,062</u>	
Creditors: amounts falling due within one year	12	(2,533,139)		(3,324,678)	
Net current assets		<u>6,665,070</u>		<u>5,410,384</u>	
Total assets less current liabilities		<u>12,520,593</u>		<u>11,367,355</u>	
Creditors: amounts falling due after more than one year	13	(5,760,233)		(5,973,130)	
Provisions for liabilities and charges	14	(3,064)		(24,172)	
		<u>6,757,296</u>		<u>5,370,053</u>	
Capital and reserves					
Called up share capital	16	75,000		75,000	
Other reserves	17	356,500		356,500	
Profit and loss account	17	6,325,796		4,938,553	
Shareholders' funds - equity interests	18	<u>6,757,296</u>		<u>5,370,053</u>	

The notes on pages 7 to 18 form part of these financial statements.
The financial statements were approved by the Board on 26 April 2006



R N Wilson
Director



P R Wilson
Director

A NELSON & CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

1.2 Turnover

Turnover represents amounts receivable from the sale of healthcare medicines and aromatherapy products worldwide, net of value added tax.

1.3 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold land and buildings	over the period of the lease
Plant and machinery	12½% per annum
Computer equipment	33% per annum
Fixtures, fittings & equipment	12½% per annum
Scientific research equipment	20% per annum

The carrying value of tangible fixed assets is reviewed for impairment in the period if events or changes in circumstances indicate the carrying value may not be recoverable.

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value. The carrying value of investments is reviewed for impairment in the period if events or changes in circumstances indicate the carrying value may not be recoverable.

1.7 Stock

Stock is valued at the lower of cost and net realisable value.

A NELSON & CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)* FOR THE YEAR ENDED 31 DECEMBER 2005

1 Accounting policies

(continued)

1.8 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

1.9 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at an average rate of exchange for the year. All differences are taken to the profit and loss account.

1.11 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group financial statements as it is exempt from the requirement to do so by section 228 of the Companies Act 1985 as it is a subsidiary undertaking of Nelson & Russell Holdings Limited, a company incorporated in England & Wales, and is included in the consolidated financial statements of that company.

1.12 Prior year adjustment

Following the introduction of FRS 21 - Post Balance Sheet Events a prior year adjustment has been made in respect of the final dividend proposed of £1,325,540 for the year ended 31 December 2004. This amount is now recorded as a current year item and the comparative figures have been restated to exclude this amount from that year's profit and loss account and balance sheet.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity.

The turnover split has not been given in accordance with paragraph 55(5) Schedule 4, Companies Act 1985.

A NELSON & CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2005**

3	Operating profit	2005	2004
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	522,005	487,915
	Loss on disposal of tangible assets	-	25,776
	Loss on foreign exchange transactions	-	341,311
	Research and development	99,561	67,396
	Operating lease rentals		
	- Plant and machinery	116,522	117,436
	- Land and buildings	692,219	645,636
	Auditors' remuneration	32,237	30,804
	and after crediting:		
	Profit on disposal of tangible assets	(2,475)	-
	Profit on foreign exchange transactions	(166,183)	-
		<u> </u>	<u> </u>
4	Investment income	2005	2004
		£	£
	Income from shares in group undertakings	2,900,000	2,800,000
		<u> </u>	<u> </u>
5	Interest payable	2005	2004
		£	£
	On bank loans and overdrafts	10,982	-
		<u> </u>	<u> </u>

A NELSON & CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2005**

6 Taxation	2005 £	2004 £
Domestic current year tax		
U.K. corporation tax	944,429	940,114
Adjustment for prior years	39,343	49,243
	<u>983,772</u>	<u>989,357</u>
Current tax charge		
Deferred tax		
Deferred tax credit	(21,108)	(23,828)
	<u>962,664</u>	<u>965,529</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	<u>5,998,542</u>	<u>5,642,512</u>
 Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2004: 30.00%)	 <u>1,799,563</u>	 <u>1,692,754</u>
Effects of:		
Non deductible expenses	20,262	43,206
Depreciation add back	156,602	146,375
Capital allowances	(110,366)	(102,221)
Adjustments to previous periods	39,343	49,243
Dividends and distributions received	(870,000)	(840,000)
Other tax adjustments	(51,632)	-
	<u>(815,791)</u>	<u>(703,397)</u>
Current tax charge	<u>983,772</u>	<u>989,357</u>

A NELSON & CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2005

7 Dividends	2005 £	2004 £
Ordinary interim paid £19.37 per share 31 January 2005	1,452,540	127,000
Ordinary interim paid £1.69 per share 28 February 2005	127,000	1,352,900
Ordinary interim paid £1.69 per share 31 March 2005	127,000	127,000
Ordinary interim paid £1.69 per share 30 April 2005	127,000	127,000
Ordinary interim paid £1.69 per share 31 May 2005	127,000	127,000
Ordinary interim paid £1.69 per share 30 June 2005	127,000	127,000
Ordinary interim paid £12.35 per share 31 July 2005	926,095	794,000
Ordinary interim paid £1.69 per share 31 August 2005	127,000	127,000
Ordinary interim paid £1.69 per share 30 September 2005	127,000	127,000
Ordinary interim paid £1.69 per share 31 October 2005	127,000	127,000
Ordinary interim paid £1.69 per share 30 November 2005	127,000	127,000
Ordinary interim paid £1.69 per share 31 December 2005	127,000	377,000
	<u>3,648,635</u>	<u>3,666,900</u>

8 Tangible fixed assets

	Leasehold land and buildings £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2005	784,460	3,421,937	1,855,086	58,735	6,120,218
Adjustments and transfers	9,618	(9,663)	1,510	-	1,465
Additions	2,220	135,287	283,230	-	420,737
Disposals	-	(11,213)	-	-	(11,213)
At 31 December 2005	<u>796,298</u>	<u>3,536,348</u>	<u>2,139,826</u>	<u>58,735</u>	<u>6,531,207</u>
Depreciation					
At 1 January 2005	230,803	2,562,643	1,702,772	58,735	4,554,953
Adjustments and transfers	-	(45)	1,690	-	1,645
On disposals	-	(11,213)	-	-	(11,213)
Charge for the year	<u>122,516</u>	<u>263,955</u>	<u>135,534</u>	<u>-</u>	<u>522,005</u>
At 31 December 2005	<u>353,319</u>	<u>2,815,340</u>	<u>1,839,996</u>	<u>58,735</u>	<u>5,067,390</u>
Net book value					
At 31 December 2005	<u>442,979</u>	<u>721,008</u>	<u>299,830</u>	<u>-</u>	<u>1,463,817</u>
At 31 December 2004	<u>553,657</u>	<u>859,294</u>	<u>152,314</u>	<u>-</u>	<u>1,565,265</u>

A NELSON & CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2005

9 Fixed asset investments

Shares in
group
undertakings

£

Cost

At 1 January 2005 & at 31 December 2005

4,391,706

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Nelson Pharmacies Limited	England & Wales	Ordinary	100
Nelson Pharmacies (Ireland) Limited	Republic of Ireland	Ordinary	100
Bach Flower Remedies Limited	England & Wales	Ordinary	100
Nelson Bach (USA) Limited	USA (Philadelphia)	Ordinary	100
Nelsons GmbH	Germany (Hamburg)	Ordinary	100
Bach Flower Essences, Inc.	USA (Massachusetts)	Ordinary	100
Nelson Aura Limited	England & Wales	Ordinary	100
Nelson & Russell Limited	England & Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves 2005 £	Profit for the year 2005 £
Nelson Pharmacies Limited	(554,396)	(280,519)
Nelson Pharmacies (Ireland) Limited	(345,173)	(31,005)
Bach Flower Remedies Limited	5,075,027	(605,033)
Nelson Bach (USA) Limited	414,434	4,088
Nelsons GmbH	166,761	30,614
Bach Flower Essences, Inc.	1	-
Nelson Aura Limited	1	-
Nelson & Russell Limited	(2,998)	-

A NELSON & CO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2005**

10 Stocks	2005	2004
	£	£
Raw materials and consumables	1,151,753	1,008,455
Finished goods and goods for resale	575,876	565,368
	<u>1,727,629</u>	<u>1,573,823</u>

11 Debtors	2005	2004
	£	£
Trade debtors	3,532,428	2,895,880
Amounts owed by group undertakings	2,121,273	2,327,497
Corporation tax	85,304	-
Other debtors	103,448	115,848
Prepayments and accrued income	404,529	446,801
	<u>6,246,982</u>	<u>5,786,026</u>

Amounts falling due after more than one year and included in the debtors above are:

	2005	2004
	£	£
Amounts owed by group undertakings	1,522,036	1,416,883
Other debtors	34,483	78,965
	<u>1,556,519</u>	<u>1,495,848</u>

A NELSON & CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2005**

12 Creditors: amounts falling due within one year	2005	2004
	£	£
Bank loans and overdrafts	-	690,198
Trade creditors	691,341	714,163
Amounts owed to group undertakings	239,964	211,426
Corporation tax	-	453,334
Other taxes and social security costs	348,805	281,320
Other creditors	30,915	24,063
Accruals and deferred income	1,222,114	950,174
	<u>2,533,139</u>	<u>3,324,678</u>

The bank overdraft is secured by cross guarantees and a mortgage debenture.

13 Creditors: amounts falling due after more than one year	2005	2004
	£	£
Amounts owed to group undertakings	<u>5,760,233</u>	<u>5,973,130</u>

14 Provisions for liabilities and charges	Deferred taxation £
Balance at 1 January 2005	24,172
Profit and loss account	(21,108)
Balance at 31 December 2005	<u>3,064</u>

The deferred tax liability is made up as follows:

	2005	2004
	£	£
Accelerated capital allowances	<u>3,064</u>	<u>24,172</u>

A NELSON & CO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2005****15 Pension costs**

The pension cost charge represents contributions payable by the company to the personal pension funds of employees. There were no outstanding liabilities at the year end.

	2005 £	2004 £
Contributions payable by the company for the year	<u>270,621</u>	<u>254,266</u>

16 Share capital

	2005 £	2004 £
Authorised		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
75,000 Ordinary shares of £1 each	<u>75,000</u>	<u>75,000</u>

17 Statement of movements on reserves

	Other reserves (see below) £	Profit and loss account £
Balance at 1 January 2005 as previously reported	356,500	3,613,013
Prior year adjustment	-	<u>1,325,540</u>
Balance at 1 January 2005 as restated	356,500	4,938,553
Retained profit for the year	-	<u>1,387,243</u>
Balance at 31 December 2005	<u>356,500</u>	<u>6,325,796</u>
Other reserves		
Capital redemption reserve		
Balance at 1 January 2005 & at 31 December 2005	<u>356,500</u>	

A NELSON & CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2005

18 Reconciliation of movements in shareholders' funds	2005 £	2004 £
Profit for the financial year	5,035,878	4,676,983
Dividends	(3,648,635)	(3,666,900)
Net addition to shareholders' funds	1,387,243	1,010,083
Opening shareholders' funds	5,370,053	4,359,970
Closing shareholders' funds	6,757,296	5,370,053

19 Financial commitments

At 31 December 2005 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2005 £	2004 £	2005 £	2004 £
Expiry date:				
Within one year	69,250	-	38,476	26,115
Between two and five years	43,000	111,750	78,046	91,321
In over five years	660,999	630,281	-	-
	773,249	742,031	116,522	117,436

20 Directors' emoluments	2005 £	2004 £
Emoluments for qualifying services	1,440,870	1,334,111
Company pension contributions to money purchase schemes	97,076	92,129
	1,537,946	1,426,240

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 6 (2004- 6).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	320,594	266,142
Company pension contributions to money purchase schemes	20,940	19,710

A NELSON & CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2005

21 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2005 Number	2004 Number
Production	58	78
Sales and administration	96	81
	<u>154</u>	<u>159</u>

Employment costs

	£	£
Wages and salaries	5,387,824	5,198,187
Social security costs	582,587	540,084
Other pension costs	270,621	254,266
	<u>6,241,032</u>	<u>5,992,537</u>

22 Control

The directors regard Nelson & Russell Holdings Limited as the ultimate parent company. The directors consider that Mr R W Wilson, Mr R N Wilson and Mr P R Wilson are jointly the controlling party by virtue of their interest in the issued share capital of Nelson & Russell Holdings Limited. Nelson & Russell Holdings Limited is the ultimate parent company of the largest and smallest group of undertakings for which group accounts are drawn up, and has included the company in its group accounts, copies of which may be obtained from the Company Secretary, Nelsons House, 83 Parkside, London SW19 5LP.

A NELSON & CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2005

23 Related party transactions

Wigmore Publications Limited, a company which is wholly owned by Mr R W Wilson, Mr R N Wilson and Mr P R Wilson, print various literature and booklets which are used for information purposes, for the promotion of the company's products and for direct sale to customers on the history and benefits of homeopathy and other natural healthcare products. During the year the company purchased books and literature from Wigmore Publications Limited in the amount of £47,390 (2004: £107,137) and paid Wigmore Publications Limited £nil (2004: £1,386) for the storage of books. The balance due to Wigmore Publications Limited at the end of the year was £12,850 (2004: £nil) and is included in trade creditors.

During the year the company sold healthcare products amounting to £1,675,613 (2004: £1,735,124) to Laboratoire Famadem, a French distribution company. Laboratoire Famadem is 49% owned by Mr R N Wilson and Mr P R Wilson. The balance due to the company by Laboratoire Famadem at the year end amounted to £405,165 (2004: £440,621).

In addition, the company provided a loan of €150,000 to Laboratoire Famadem during 2004. The loan is repayable over 3 years and interest is charged at a rate of 5% per annum. €150,000 is outstanding at the balance sheet date.

The company has taken advantage of the exemption in Financial Reporting Standard No. 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent undertaking.