

Company Registration No. 00249879 (England and Wales)

A NELSON & CO LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012



Saffery Champness
CHARTERED ACCOUNTANTS

A NELSON & CO LIMITED

COMPANY INFORMATION

Directors	R N Wilson P R Wilson N F Fayad M A Turrell K Dicks	(Appointed 21 November 2012)
Secretary	K Dicks	
Company number	00249879	
Registered office	Nelsons House 83 Parkside Wimbledon London SW19 5LP	
Independent Auditors	Saffery Champness Lion House Red Lion Street London WC1R 4GB	
Bankers	Santander UK Plc 2 Triton Square Regents Place London NW1 3AN	

A NELSON & CO LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 18

A NELSON & CO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

The directors present their report and financial statements for the year ended 31 December 2012

Principal activities and review of the business

The principal activity of the company continued to be the manufacture and sale of natural medicines

A Nelson and Co operates in niche markets across the world in which a number of smaller companies also compete. The natural healthcare market shows reasonable and consistent growth globally and the company's business is expected to grow accordingly.

Legislation such as the introduction in 2006 of the Traditional Herbal Medicinal Products Directive and the implementation of Article 16.2 of the European Directive (2001/83/EC) which continues to provide for therapeutic indications on packaging of homeopathic medicinal products will set a clearer framework for the industry in the EU.

The directors continue to look for new markets for the distribution of the company's products and for new product formats which will fit into its portfolio.

Review of Business and Key Performance Indicators

The directors report a successful year with growth in profit from ordinary activities before interest. The profit growth was principally due to lower administration costs.

Key performance indicators are as follows:

- 1) Turnover decreased across the world by 3.9% on the previous year
- 2) Profit on ordinary activities before taxation increased to £15.2m
- 3) Net Assets have increased to £11.6m at 31 December 2012

Principal risks and uncertainties

Exchange Rates Due to the international nature of the company's structure, customers and sales, it is exposed to fluctuations in foreign currency. The company always attempts to reduce this exposure by taking out future hedges against net receipts of foreign currency.

Results and dividends

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

Directors

The following directors have held office since 1 January 2012:

R N Wilson	
P R Wilson	
M C Dunne	(Resigned 21 November 2012)
N F Fayad	
J G Houlihan	(Resigned 31 January 2013)
M A Turrell	
K Dicks	(Appointed 21 November 2012)

A NELSON & CO LIMITED

**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2012**

Charitable donations	2012 £	2011 £
During the year the company made the following payments		
Charitable donations	<u>5,295</u>	<u>4,250</u>

Auditors

Saffery Champness have expressed their willingness to remain in office as auditors of the company

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare 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 to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



K Dicks
Director
24 April 2013

A NELSON & CO LIMITED

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

We have audited the financial statements of A Nelson & Co Limited for the year ended 31 December 2012 set out on pages 5 to 18. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 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.

Opinion on other matter prescribed by the Companies Act 2006

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

A NELSON & CO LIMITED

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



**Lorenzo Mosca (Senior Statutory Auditor)
for and on behalf of Saffery Champness**

24 April 2013

**Chartered Accountants
Statutory Auditors**

Lion House
Red Lion Street
London
WC1R 4GB

A NELSON & CO LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Notes	2012 £	2011 £
Turnover	2	43,867,852	45,633,738
Cost of sales		<u>(9,559,484)</u>	<u>(10,567,797)</u>
Gross profit		34,308,368	35,065,941
Administrative expenses		(25,691,469)	(26,164,360)
Administration expenses - exceptional item	3	<u>(55,539)</u>	<u>(2,735,116)</u>
		(25,747,008)	(28,899,476)
Other operating income		<u>-</u>	<u>1,294,010</u>
Operating profit	3	8,561,360	7,460,475
Investment income	4	6,750,000	4,875,000
Other interest receivable and similar income	4	92,225	73,160
Interest payable and similar charges	5	<u>(155,070)</u>	<u>(137,464)</u>
Profit on ordinary activities before taxation		15,248,515	12,271,171
Tax on profit on ordinary activities	6	<u>(2,151,456)</u>	<u>(2,665,004)</u>
Profit for the year	17	<u><u>13,097,059</u></u>	<u><u>9,606,167</u></u>

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

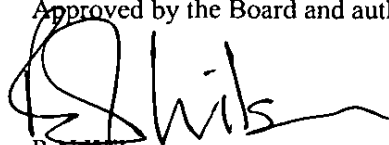
A NELSON & CO LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2012**

	Notes	2012 £	2011 £
Fixed assets			
Tangible assets	8	2,094,069	1,835,319
Investments	9	4,391,706	4,391,706
		<u>6,485,775</u>	<u>6,227,025</u>
Current assets			
Stocks	10	2,162,855	2,034,767
Debtors	11	8,006,139	6,879,027
Cash at bank and in hand		3,801,618	5,559,016
		<u>13,970,612</u>	<u>14,472,810</u>
Creditors: amounts falling due within one year	12	<u>(6,301,596)</u>	<u>(5,222,049)</u>
Net current assets		<u>7,669,016</u>	<u>9,250,761</u>
Total assets less current liabilities		<u>14,154,791</u>	<u>15,477,786</u>
Creditors: amounts falling due after more than one year	13	(2,590,558)	(6,092,175)
Provisions for liabilities	14	-	(8,206)
		<u>11,564,233</u>	<u>9,377,405</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	11,132,733	8,945,905
Shareholders' funds	18	<u>11,564,233</u>	<u>9,377,405</u>

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

Approved by the Board and authorised for issue on 24 April 2013



R N Wilson
Director

Company Registration No. 00249879

A NELSON & CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

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 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

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

1.4 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.

1.5 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
Fixtures, fittings & equipment	12½% 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.

1.6 Leasing

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

1.7 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.

A NELSON & CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2012**

1 Accounting policies

(continued)

1.8 Stock

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

1.9 Pensions

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

1.10 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.

1.11 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.

The company receives and incurs expenses in a number of different currencies as part of its trading activities. In certain circumstances, financial instruments to hedge a proportion of its net cash flow and operating profit may be used. Profits and losses from hedging activities are matched with the underlying cash flows and profits being hedged.

1.12 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has taken advantage of the exemptions provided by section 400 of the Companies Act 2006 on the basis that the company and its subsidiary undertakings are consolidated within the ultimate parent company's group financial statements.

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 section 410 of the Companies Act 2006.

A NELSON & CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2012**

3	Operating profit	2012	2011
		£	£
	Operating profit is stated after charging		
	Depreciation of tangible assets	525,402	460,786
	Loss on disposal of tangible assets	8,715	-
	Loss on foreign exchange transactions	-	130,695
	Research and development	173,825	144,774
	Operating lease rentals		
	- Plant and machinery	86,789	96,625
	- Land and buildings	775,671	649,726
	Auditors' remuneration		
	Auditors fees of the company's annual accounts	35,175	33,925
	Taxation services	14,680	12,750
	Other services	10,450	10,260
	and after crediting		
	Profit on foreign exchange transactions	(179,646)	-
		<u></u>	<u></u>
	Exceptional items:		
	Provision against unrecoverable group loans	55,539	2,735,116
		<u></u>	<u></u>
4	Investment income & other interest receivable	2012	2011
		£	£
	Income from shares in group undertakings	6,750,000	4,875,000
	Bank interest	92,225	73,160
		<u>6,842,225</u>	<u>4,948,160</u>
5	Interest payable	2012	2011
		£	£
	On amounts payable to group companies	<u>155,070</u>	<u>137,464</u>

A NELSON & CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2012**

6	Taxation	2012	2011
		£	£
	Domestic current year tax		
	U K corporation tax	2,245,394	2,716,542
	Adjustment for prior years	(51,413)	(49,614)
	Total current tax	2,193,981	2,666,928
	Deferred tax		
	Deferred tax credit	(42,525)	(1,924)
		<u>2,151,456</u>	<u>2,665,004</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>15,248,515</u>	<u>12,271,171</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24 50% (2011 - 26 50%)	<u>3,735,886</u>	<u>3,251,860</u>
	Effects of		
	Non deductible expenses	147,596	765,787
	Depreciation add back	128,560	121,211
	Capital allowances	(114,405)	(128,723)
	Adjustments to previous periods	(51,413)	(49,614)
	Chargeable disposals	2,135	-
	Dividends and distributions received	(1,653,750)	(1,291,875)
	Other tax adjustments	(628)	(1,718)
		<u>(1,541,905)</u>	<u>(584,932)</u>
	Current tax charge for the year	<u>2,193,981</u>	<u>2,666,928</u>
7	Dividends	2012	2011
		£	£
	Ordinary interim paid	<u>10,910,231</u>	<u>10,126,897</u>

A NELSON & CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2012

8 Tangible fixed assets

	Leasehold land and buildings £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 January 2012	889,878	4,702,350	2,376,989	7,969,217
Additions	-	393,608	399,259	792,867
Disposals	-	(43,611)	-	(43,611)
At 31 December 2012	889,878	5,052,347	2,776,248	8,718,473
Depreciation				
At 1 January 2012	778,890	3,475,851	1,879,157	6,133,898
On disposals	-	(34,896)	-	(34,896)
Charge for the year	11,508	285,684	228,210	525,402
At 31 December 2012	790,398	3,726,639	2,107,367	6,624,404
Net book value				
At 31 December 2012	99,480	1,325,708	668,881	2,094,069
At 31 December 2011	110,988	1,226,499	497,832	1,835,319

A NELSON & CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2012

9 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 January 2012 & at 31 December 2012	4,391,706
Net book value	
At 31 December 2012	4,391,706
At 31 December 2011	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 00
Nelson Pharmacies (Ireland) Limited	Republic of Ireland	Ordinary	100 00
Bach Flower Remedies Limited	England & Wales	Ordinary	100 00
Nelson Bach (USA) Limited	USA (Massachusetts)	Ordinary	100 00
Nelsons GmbH	Germany (Hamburg)	Ordinary	100 00
Bach Flower Essences, Inc	USA (Massachusetts)	Ordinary	100 00
Nelson Aura Limited	England & Wales	Ordinary	100 00
Nelson & Russell Limited	England & Wales	Ordinary	100 00

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 2012 £	Profit/(loss) for the year 2012 £
	Principal activity		
Nelson Pharmacies Limited	Sale of natural medicines	65,534	1,955,459
Nelson Pharmacies (Ireland) Limited	Sale of natural medicines (Euro's)	(82,277)	759,390
Bach Flower Remedies Limited	Licensing of trademarks and distribution agreements	1,605,163	3,478,363
Nelson Bach (USA) Limited	Sale of natural medicines	1,130,767	(336,330)
Nelsons GmbH	Sale of natural medicines	1,170,829	189,777
Bach Flower Essences, Inc	Dormant	1	-
Nelson Aura Limited	Dormant	1	-
Nelson & Russell Limited	Dormant	2,998	-

A NELSON & CO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2012**

10 Stocks	2012	2011
	£	£
Raw materials and consumables	1,063,232	1,022,697
Finished goods and goods for resale	1,099,623	1,012,070
	<u>2,162,855</u>	<u>2,034,767</u>
 11 Debtors	 2012	 2011
	£	£
Trade debtors	3,893,300	3,477,609
Amounts owed by subsidiary undertakings	3,548,948	1,770,627
Other debtors	9,210	1,107,701
Prepayments and accrued income	520,362	523,090
Deferred tax asset (see note 14)	34,319	-
	<u>8,006,139</u>	<u>6,879,027</u>
 12 Creditors: amounts falling due within one year	 2012	 2011
	£	£
Trade creditors	1,277,538	807,700
Amounts owed to parent and fellow subsidiary undertakings	1,514,649	372,490
Corporation tax	246,532	624,764
Other taxes and social security costs	418,847	488,424
Other creditors	106,117	110,067
Accruals and deferred income	2,737,913	2,818,604
	<u>6,301,596</u>	<u>5,222,049</u>
 13 Creditors: amounts falling due after more than one year	 2012	 2011
	£	£
Amounts due to group undertakings	<u>2,590,558</u>	<u>6,092,175</u>

A NELSON & CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2012**

14 Provisions for liabilities

The deferred tax asset (included in debtors, note 11) is made up as follows:

	2012	
	£	
Balance at 1 January 2012	8,206	
Profit and loss account	(42,525)	
	<u>(34,319)</u>	
Balance at 31 December 2012	<u>(34,319)</u>	

	2012	2011
	£	£
Accelerated capital allowances	28,388	36,631
Other timing differences	(62,707)	(28,425)
	<u>(34,319)</u>	<u>8,206</u>

Deferred tax has been calculated using the company's expected future rate of corporation tax of 24%

15 Pension costs

The pension cost charge represents contributions payable by the company to the personal pension funds of employees. The outstanding liabilities at the year end are £58,442 (2011 £62,765)

	2012	2011
	£	£
Contributions payable by the company for the year	<u>509,884</u>	<u>445,855</u>

16 Share capital

	2012	2011
	£	£
Allotted, called up and fully paid 75,000 Ordinary shares of £1 each	<u>75,000</u>	<u>75,000</u>

A NELSON & CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2012**

17 Statement of movements on reserves

	Other reserves (see below) £	Profit and loss account £
Balance at 1 January 2012	356,500	8,945,905
Profit for the year	-	13,097,059
Dividends paid	-	(10,910,231)
Balance at 31 December 2012	<u>356,500</u>	<u>11,132,733</u>
Other reserves		
Capital redemption reserve		
Balance at 1 January 2012 & at 31 December 2012	<u>356,500</u>	

18 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Profit for the financial year	13,097,059	9,606,167
Dividends	(10,910,231)	(10,126,897)
Net addition to/(depletion in) shareholders' funds	<u>2,186,828</u>	<u>(520,730)</u>
Opening shareholders' funds	<u>9,377,405</u>	<u>9,898,135</u>
Closing shareholders' funds	<u>11,564,233</u>	<u>9,377,405</u>

A NELSON & CO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2012****19 Financial commitments**

At 31 December 2012 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings			Other
	2012	2011	2012	2011
	£	£	£	£
Expiry date				
Within one year	-	-	22,707	12,743
Between two and five years	375,376	375,376	64,082	83,882
In over five years	400,295	274,350	-	-
	<u>775,671</u>	<u>649,726</u>	<u>86,789</u>	<u>96,625</u>

At the balance sheet date the group was committed to sell the following currency amounts under forward option contracts in 2012 -

Euro	€6,000,000 at an average rate of 1 24 (2011 €4,800,000 at an average rate of 1 13)
Swiss Francs	Nil (2011 1,600,000 at an average rate of 1 41)
Australian	
Dollar	\$1,680,000 at an average rate of 1 56 (2011 \$1,560,000 at an average rate of 1 63)

20 Capital commitments

2012	2011
£	£

At 31 December 2012 the company had capital commitments as follows

Contracted for but not provided in the financial statements	<u>278,733</u>	<u>-</u>
---	----------------	----------

A NELSON & CO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2012**

21 Directors' remuneration	2012	2011
	£	£
Remuneration for qualifying services	2,587,318	2,371,447
Company pension contributions to defined contribution schemes	365,431	235,811
	<u>2,952,749</u>	<u>2,607,258</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 7 (2011 - 6)

Remuneration disclosed above include the following amounts paid to the highest paid director

Remuneration for qualifying services	721,852	666,975
Company pension contributions to defined contribution schemes	<u>58,750</u>	<u>49,521</u>

22 Employees**Number of employees**

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

	2012	2011
	Number	Number
Production	53	51
Sales and administration	102	98
	<u>155</u>	<u>149</u>

Employment costs	2012	2011
	£	£
Wages and salaries	8,230,412	7,672,313
Social security costs	955,030	866,583
Other pension costs	509,884	445,855
	<u>9,695,326</u>	<u>8,984,751</u>

A NELSON & CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2012

23 Control

The directors regard Nelson & Russell Holdings Limited as the ultimate parent company. The directors consider that 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.

24 Related party relationships and transactions

Wigmore Publications Limited, a company which is wholly owned by Mr R N Wilson and Mr P R Wilson, prints 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 £2,150 (2011 £5,150), the balance due to Wigmore Publications Limited at the end of the year was £nil (2011 £nil). During the year the company received £1,440 (2011 £2,160) in rent from Wigmore Publications Limited, the balance due from Wigmore Publications Limited at the year end was £720 (2011 £720).

During the year the company sold healthcare products amounting to £4,429,078 (2011 £4,532,548) 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 £703,436 (2011 £659,923).

During the year the company incurred marketing costs amounting to £175,281 (2011 £226,229) from Laboratoire Famadem. The balance due to Laboratoire Famadem at the year end amounted to £nil (2011 £831).

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 the company is a wholly owned subsidiary within the group.