

6.17

Company Registration No. 00249879 (England and Wales)

**A Nelson & Co Limited**  
**Annual report and financial statements**  
**for the year ended 31 December 2015**

THURSDAY



\*A5FJX2N5\*

A08

15/09/2016

#45

COMPANIES HOUSE

## A Nelson & Co Limited

### Company information

---

<b>Directors</b>	Robert Wilson Patrick Wilson David Hinton Garry Watts A Smith	(Appointed 1 November 2015) (Appointed 24 April 2016)
------------------	---	--

<b>Company number</b>	00249879
-----------------------	----------

<b>Registered office</b>	Nelsons House 83 Parkside Wimbledon London SW19 5LP
--------------------------	---

<b>Independent auditors</b>	Saffery Champness 71 Queen Victoria Street London EC4V 4BE
-----------------------------	---

<b>Bankers</b>	HSBC Bank plc 8 Canada Square London E14 5HQ
----------------	---

---

## A Nelson & Co Limited

### Contents

---

	Page
Strategic report	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report	4 - 5
Income statement	6
Statement of financial position	7
Statement of changes in equity	8
Notes to the financial statements	9 - 25

---

**Strategic report**

**For the year ended 31 December 2015**

---

The directors present the strategic report and financial statements for the year ended 31 December 2015.

**Review of the business**

A Nelson and Co Limited continues to operate 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.

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.

**Principal risks and uncertainties**

The company operates in a number of markets across the globe and as such it faces exchange risk from those markets not invoiced in sterling. The company policy is to regularly monitor FX rates and, where appropriate to reduce this exposure by the use of financial instruments, principally FX forwards and swaps.

**Development and performance**


As reported in the company's profit and loss account, company revenue has shown a decrease of 2% from £43.6m to £42.6m in the current year. Profit after tax has decreased from £5.3m to £2.3m.

**Key performance indicators**

The following key performance indicators are reported:

- 1) Sales Growth: Turnover decreased across the world by 2.4% (2014: decreased by 4.0%) on the previous year.
- 2) Gross Profit Margin has decreased by 5% to 72% (2014: 77%).
- 3) Profit on ordinary activities before taxation decreased to £2.9m (2014: £6.7m).
- 4) Net Assets: have increased to £7.4m (2014: £7.3m) at 31 December 2015.

On behalf of the board



Robert Wilson  
**Director**

21 June 2016

## **A Nelson & Co Limited**

### **Directors' report**

**For the year ended 31 December 2015**

---

The directors present their annual report and financial statements for the year ended 31 December 2015.

#### **Principal activities**

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

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Robert Wilson

Patrick Wilson

Mark Turrell

(Resigned 30 September 2015)

David Hinton

Karen Dicks

(Resigned 31 January 2015)

Garry Watts

(Appointed 1 November 2015)

A Smith

(Appointed 24 April 2016)

#### **Results and dividends**

The results for the year are set out on page 6.

During the year dividends were paid amounting to £2,185,000 (2014: £9,794,609).

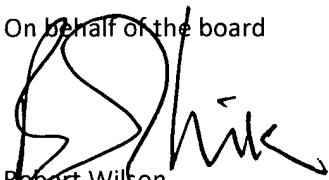
#### **Auditors**

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

#### **Statement of disclosure to auditors**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually 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



Robert Wilson

**Director**

21 June 2016

**Directors' responsibilities statement  
For the year ended 31 December 2015**

---

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102). 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 United Kingdom Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of 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 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.

## **A Nelson & Co Limited**

### **Independent auditor's 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 2015 set out on pages 6 to 25. 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), including Financial Reporting Standard 102.

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 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.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 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 Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on 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 2015 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 matters 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.

**A Nelson & Co Limited**

**Independent auditor's 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**

23 June 2016

**Chartered Accountants**  
**Statutory Auditors**

71 Queen Victoria Street  
London  
EC4V 4BE



A Nelson & Co Limited

Income statement

For the year ended 31 December 2015

	Notes	2015 £'000	2014 £'000
Turnover	3	42,594	43,641
Cost of sales		(11,921)	(10,127)
<b>Gross profit</b>		<b>30,673</b>	<b>33,514</b>
Administrative expenses		(27,644)	(26,793)
<b>Operating profit</b>	4	<b>3,029</b>	<b>6,721</b>
Interest receivable and similar income	8	159	152
Interest payable and similar charges	9	(317)	(113)
<b>Profit before taxation</b>		<b>2,871</b>	<b>6,760</b>
Taxation	10	(626)	(1,476)
<b>Profit for the financial year</b>		<b>2,245</b>	<b>5,284</b>
<b>Total comprehensive income for the year</b>		<b>2,245</b>	<b>5,284</b>

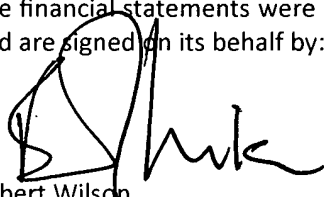
The income statement has been prepared on the basis that all operations are continuing operations.

**A Nelson & Co Limited**

**Statement of financial position  
As at 31 December 2015**

	Notes	£'000	2015 £'000	£'000	2014 £'000
<b>Fixed assets</b>					
Tangible assets	12		4,994		5,593
Investments	13		4,392		4,392
			<u>9,386</u>		<u>9,985</u>
<b>Current assets</b>					
Stocks	14	4,244		4,465	
Debtors	15	12,442		14,989	
Cash at bank and in hand		5,710		-	
		<u>22,396</u>		<u>19,454</u>	
<b>Creditors: amounts falling due within one year</b>	17	(12,265)		(14,355)	
Net current assets			<u>10,131</u>		<u>5,099</u>
<b>Total assets less current liabilities</b>			<u>19,517</u>		<u>15,084</u>
<b>Creditors: amounts falling due after more than one year</b>	18		(12,052)		(7,679)
<b>Provisions for liabilities</b>	19		(86)		(86)
<b>Net assets</b>			<u>7,379</u>		<u>7,319</u>
<b>Capital and reserves</b>					
Called up share capital	22		75		75
Capital redemption reserve			357		357
Profit and loss reserves			6,947		6,887
<b>Total equity</b>			<u>7,379</u>		<u>7,319</u>

The financial statements were approved by the board of directors and authorised for issue on 21 June 2016 and are signed on its behalf by:



Robert Wilson  
Director

**A Nelson & Co Limited**

**Statement of changes in equity  
For the year ended 31 December 2015**

	Notes	Share capital £'000	Capital redemption reserve £'000	Profit and loss reserves £'000	Total £'000
<b>Balance at 1 January 2014</b>		75	357	11,398	11,830
<b>Year ended 31 December 2014:</b>					
Profit and total comprehensive income for the year		-	-	5,284	5,284
Dividends	11	-	-	(9,795)	(9,795)
<b>Balance at 31 December 2014</b>		75	357	6,887	7,319
<b>Year ended 31 December 2015:</b>					
Profit and total comprehensive income for the year		-	-	2,245	2,245
Dividends	11	-	-	(2,185)	(2,185)
<b>Balance at 31 December 2015</b>		75	357	6,947	7,379

**1 Accounting policies**

**Company information**

A Nelson & Co Limited is a limited company incorporated in England and Wales. The registered office is Nelsons House, 83 Parkside, Wimbledon, London, SW19 5LP.

**1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

These financial statements for the year ended 31 December 2015 are the first financial statements of A Nelson & Co Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

A Nelson & Co Limited is a wholly owned subsidiary of Nelson and Russell Holdings Limited and the results of A Nelson & Co Limited are included in the consolidated financial statements of Nelson and Russell Holdings Limited which are available from Nelsons House, 83 Parkside, Wimbledon, London, SW19 5LP.

A Nelson & Co Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in accordance with paragraph 1.12 of FRS 102. Exemptions have been taken in relation to:

- Financial instruments;
- Presentation of a cash flow statement;
- Compensation of key management personnel.

**1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2015**

---

**1 Accounting policies (continued)**

**1.3 Turnover**

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

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**1.4 Tangible fixed assets**

Tangible fixed assets are stated at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

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

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

**1.5 Fixed asset investments**

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

**1.6 Impairment of fixed assets**

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**1 Accounting policies (continued)**

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**1.7 Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

**1.8 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.9 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

**1.10 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2015**

---

**1 Accounting policies (continued)**

***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

**1.11 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.12 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**1.13 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Notes to the financial statements (continued)  
For the year ended 31 December 2015

---

**1 Accounting policies (continued)**

**1.14 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

**2 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

***Inventory provisioning***

The company manufactures and sells natural medicines and is subject to changing consumer demands, export/import guidelines and product sell-by dates. As a result it is necessary to consider the recoverability of the cost of inventory and the associated provisioning required. When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials. See note 13 for the net carrying amount of the inventory.

***Recoverability of trade receivables***

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 14 for the net carrying amount of the debtors.

***Hedging of exposure in trade receivables to Foreign Currency Volatility***

The company operates in a number of different, including developing, countries around the world and a number of its trade receivables are therefore denominated in a foreign currency. Management must assess, on a continual basis, its exposure to any Foreign Currency Volatility. Judgement is made as to the level, if any, of hedging instruments needed to reduce this exposure to an acceptable level and protect the business assets. Management uses third party market information, the bank and their own experience to implement standard market hedging instruments in the form of forward contracts.



**Notes to the financial statements (continued)**  
**For the year ended 31 December 2015**

**3 Turnover and other revenue**

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

United Kingdom	11,334	10,514
Europe	20,080	19,413
America	5,462	8,524
Rest of world	5,718	5,190
	<u>42,594</u>	<u>43,641</u>

**4 Operating profit**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	(578)	(570)
Research and development costs	19	129
Depreciation of owned tangible fixed assets	1,421	704
Loss on disposal of tangible fixed assets	-	6
Cost of stocks recognised as an expense	12,499	10,697
Operating lease charges	472	846
	<u></u>	<u></u>

**5 Auditors' remuneration**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Fees payable to the company's auditor and its associates:		
<b>For audit services</b>		
Audit of the company's financial statements	36	35
	<u></u>	<u></u>
<b>For other services</b>		
All other non-audit services	15	12
	<u></u>	<u></u>

Notes to the financial statements (continued)  
For the year ended 31 December 2015

**6 Employees**

The average monthly number of persons (including directors) employed by the company during the year was:

	2015 Number	2014 Number
Production	53	54
Sales and administration	115	117
	<u>168</u>	<u>171</u>

Their aggregate remuneration comprised:

	2015 £'000	2014 £'000
Wages and salaries	9,292	8,875
Social security costs	934	896
Pension costs	470	499
	<u>10,696</u>	<u>10,270</u>

Redundancy payments in the year amount to £524,857 (2014 - £174,859).

Notes to the financial statements (continued)  
For the year ended 31 December 2015

**7 Directors' remuneration**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Remuneration for qualifying services	1,447	2,212
Company pension contributions to defined contribution schemes	92	143
	<u>1,539</u>	<u>2,355</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2014 - 6).

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

Remuneration for qualifying services	655	714
Company pension contributions to defined contribution schemes	40	43
	<u>695</u>	<u>757</u>

**8 Interest receivable and similar income**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
<b>Interest income</b>		
Interest receivable from group companies	159	152
	<u>159</u>	<u>152</u>

**9 Interest payable and similar charges**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Interest on bank overdrafts and loans	16	3
Interest payable to group undertakings	301	110
	<u>317</u>	<u>113</u>

**A Nelson & Co Limited**

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2015**

**10 Taxation**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
<b>Current tax</b>		
UK corporation tax on profits for the current period	626	1,363
Adjustments in respect of prior periods	-	57
	<u>626</u>	<u>1,420</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	56
	<u>626</u>	<u>1,476</u>

The charge for the year can be reconciled to the profit per the income statement as follows:

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Profit before taxation	<u>2,871</u>	<u>6,760</u>
Expected tax charge based on a corporation tax rate of 20.25% (2014 - 21.50%)	581	1,453
Tax effect of expenses that are not deductible in determining taxable profit	12	54
Permanent capital allowances in excess of depreciation	19	(145)
Other non-reversing timing differences	-	56
Other permanent differences	14	-
Under provided in the year	-	57
Chargeable disposals	-	1
	<u>626</u>	<u>1,476</u>

**11 Dividends**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Interim paid	<u>2,185</u>	<u>9,795</u>
	<u>2,185</u>	<u>9,795</u>

Notes to the financial statements (continued)  
For the year ended 31 December 2015

**12 Tangible fixed assets**

	Leasehold land and buildings £'000	Plant and machinery £'000	Fixtures, fittings & equipment £'000	Total £'000
<b>Cost</b>				
At 1 January 2015	830	4,605	7,156	12,591
Additions	-	151	671	822
At 31 December 2015	830	4,756	7,827	13,413
<b>Depreciation and impairment</b>				
At 1 January 2015	754	3,381	2,863	6,998
Depreciation charged in the year	11	322	1,088	1,421
At 31 December 2015	765	3,703	3,951	8,419
<b>Carrying amount</b>				
At 31 December 2015	65	1,053	3,876	4,994
At 31 December 2014	76	1,224	4,293	5,593

**13 Fixed asset investments**

	Notes	2015 £'000	2014 £'000
Investments in subsidiaries	29	4,392	4,392

**Movements in fixed asset investments**

	Shares £'000
<b>Cost or valuation</b>	
At 1 January 2014 & 31 December 2014	4,392
<b>Carrying amount</b>	
At 31 December 2015	4,392
At 31 December 2014	4,392

**A Nelson & Co Limited**

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2015**

**14 Stocks**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Raw materials and consumables	2,126	2,628
Finished goods and goods for resale	2,118	1,837
	<u>4,244</u>	<u>4,465</u>

**15 Debtors**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	4,478	5,015
Corporation tax recoverable	418	-
Amounts due from subsidiary undertakings	6,921	9,328
Other debtors	157	30
Prepayments and accrued income	468	616
	<u>12,442</u>	<u>14,989</u>

**16 Loans and overdrafts**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Bank overdrafts	-	5,094
Bank loans	375	625
	<u>375</u>	<u>5,719</u>
Payable within one year	250	5,344
Payable after one year	125	375

The bank loan is secured by a fixed charge over all freehold and leasehold property, a fixed charge over book and other debts, chattels, goodwill and uncalled capital and a floating charge over all assets and undertakings both present and future.

**A Nelson & Co Limited**

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2015**

**17 Creditors: amounts falling due within one year**

	<b>Notes</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
Loans and overdrafts	<b>16</b>	250	5,344
Trade creditors		2,382	2,374
Amount due to parent undertaking		6,762	3,829
Corporation tax payable		-	8
Other taxation and social security		334	97
Other creditors		65	62
Accruals and deferred income		2,472	2,641
		<u>12,265</u>	<u>14,355</u>

**18 Creditors: amounts falling due after more than one year**

	<b>Notes</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
Loans and overdrafts	<b>16</b>	125	375
Other creditors		11,927	7,304
		<u>12,052</u>	<u>7,679</u>

**19 Provisions for liabilities**

	<b>Notes</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
Deferred tax liabilities	<b>20</b>	86	86
		<u>86</u>	<u>86</u>

Notes to the financial statements (continued)  
For the year ended 31 December 2015

20 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2015 £'000	Liabilities 2014 £'000
<b>Balances:</b>		
Accelerated capital allowances	159	159
Other timing differences	(73)	(73)
	<u>86</u>	<u>86</u>

There were no deferred tax movements in the year.

21 Retirement benefit schemes

**Defined contribution schemes**

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit and loss in respect of defined contribution schemes was £470,787 (2014 - £499,035)

22 Share capital and other reserves

	2015 £'000	2014 £'000
<b>Ordinary share capital</b>		
<b>Authorised</b>		
100,000 Ordinary shares of £1 each	100	100
	<u>      </u>	<u>      </u>
<b>Issued and fully paid</b>		
75,000 Ordinary shares of £1 each	75	75
	<u>      </u>	<u>      </u>

The profit and loss account reserve represents the cumulative realised profits or losses net of dividends paid and other adjustments.

The capital redemption reserve represents non-distributable amounts following the repurchase of the company's own shares.



## A Nelson & Co Limited

### Notes to the financial statements (continued) For the year ended 31 December 2015

---

#### 23 Financial commitments, guarantees and contingent liabilities

The company has given a Composite Company Unlimited Multilateral Guarantee, together with Nelson & Russell Holdings Limited, Bach Flower Remedies Limited, Spatone Limited, Natural Science.com Limited, Nelsons Pharmacies Limited, Nelson Bach USA Limited and Nelsons GmbH, to HSBC Bank Plc as security for a bank loan and overdraft facility. At 31 December 2015 the total debt amounted £375,000 (2014: 5,718,871).

#### 24 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2015 £'000	2014 £'000
Within one year	385	383
Between two and five years	45	62
In over five years	400	400
	<u>830</u>	<u>845</u>

At the balance sheet date the company was committed to sell the following currency amounts under forward option contracts in 2015:

Euro	€nil (2015: €13,411,000 at an average rate of 1.31)
Australian Dollar	\$nil (2015: \$1,827,000 at an average rate of 1.88)
US Dollar	\$nil (2015: \$5,764,000 at an average rate of 1.57)

#### 25 Capital commitments

	2015 £'000	2014 £'000
At 31 December 2015 the company had capital commitments as follows:		
Contracted for but not provided in the financial statements:		
Acquisition of property, plant and equipment	<u>93</u>	<u>110</u>

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2015**

---

**26 Controlling party**

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 Director, Nelsons House, 83 Parkside, Wimbledon, London, SW19 5LP.

**27 Events after the reporting date**

Following the year-end, the ultimate parent company, Nelson & Russell Holdings Limited, entered into a £20,000,000 Senior facilities agreement with HSBC Bank Plc. The facility expires on 31 December 2019 and is secured by way of a fixed and floating charge over all the assets of the company in favour of HSBC Bank Plc dated 22 March 2016.

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2015**

---

**28 Related party transactions**

**Transactions with related parties**

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 £778 (2014: £11,050), the balance due to Wigmore Publications Limited at the end of the year was £nil (2014: £nil). During the year the company received £1,440 (2014: £1,440) in rent from Wigmore Publications Limited, the balance due from Wigmore Publications Limited at the year end was £nil (2014: £720).

During the year the company sold healthcare products amounting to £4,059,876 (2014: £5,075,210) to Laboratoire Famadem, a fellow subsidiary of Nelson and Russell Holdings Limited. 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 £1,086,672 (2014: £1,416,993).

During the year the company incurred marketing costs amounting to £nil (2014: £183,431) from Laboratoire Famadem. The balance due to Laboratoire Famadem at the year end amounted to £nil (2014: £120,658).

The company has taken advantage of the exemption in FRS 102 Section 33 from the requirement to disclose transactions with group companies on the grounds that the company is a wholly owned subsidiary within the group.

Notes to the financial statements (continued)  
For the year ended 31 December 2015

29 Subsidiaries

Details of the company's subsidiaries at 31 December 2015 are as follows:

Name of undertaking and country of incorporation or residency		Nature of business	Class of shareholding	% Held Direct
Nelson Pharmacies Limited	England & Wales	Sale of natural medicines	Ordinary	100.00
Nelson Pharmacies (Ireland) Limited	Republic of Ireland	Dormant	Ordinary	100.00
Bach Flower Remedies Limited	England & Wales	Licensing of trademarks and distribution agreements	Ordinary	100.00
Nelson Bach (USA) Limited	USA (Massachusetts)	Sale of natural medecines	Ordinary	100.00
Nelson GmbH	Germany (Hamburg)	Sale of natural medecines	Ordinary	100.00
Bach Flower Essences Inc	USA (Massachusetts)	Dormant	Ordinary	100.00
Nelson Aura Limited	England & Wales	Dormant	Ordinary	100.00
Nelson & Russell Limited	England & Wales	Dormant	Ordinary	100.00