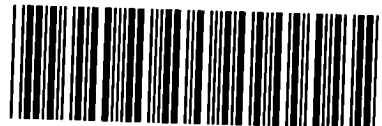


Company Registration No. 00249879 (England and Wales)

A Nelson & Co Limited

**Annual report and financial statements
for the year ended 31 December 2016**

THURSDAY



A6FFU99V

A23

21/09/2017

#327

COMPANIES HOUSE

A Nelson & Co Limited

Company information

Directors	Robert Wilson Patrick Wilson Andrew Smith Claire Ferguson	(Appointed 28 April 2016) (Appointed 25 January 2017)
Company number	00249879	
Registered office	Nelsons House 83 Parkside Wimbledon London SW19 5LP	
Independent auditors	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE	
Bankers	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 auditors' report	4 - 5
Income statement	6
Statement of comprehensive income	7
Statement of financial position	8 - 9
Statement of changes in equity	10
Notes to the financial statements	11 - 29

A Nelson & Co Limited

Strategic report

For the year ended 31 December 2016

The directors present the strategic report for the year ended 31 December 2016.

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

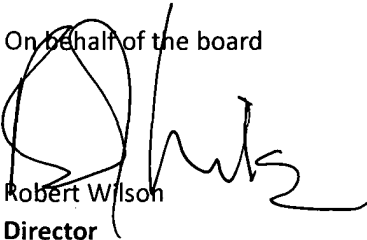
As reported in the company's profit and loss account, company revenue has shown an increase of 12% from £42.6m to £47.7m in the current year. Profit after tax has increased from £2.3m to £16.2m.

Key performance indicators

The following key performance indicators are reported:

- 1) Global sales increased by 12.0% (2015: decreased by 2.4%) on the previous year.
- 2) Profit on ordinary activities before taxation increased to £17.4m (2015: £2.9m).
- 3) Net Assets have increased to £8.2m (2015: £7.4m) at 31 December 2016.

On behalf of the board



Robert Wilson

Director

26 April 2017

A Nelson & Co Limited

Directors' report

For the year ended 31 December 2016

The directors present their annual report and financial statements for the year ended 31 December 2016.

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

David Hinton

(Resigned 30 June 2016)

Garry Watts

(Resigned 4 April 2016)

Andrew Smith

(Appointed 28 April 2016)

Claire Ferguson

(Appointed 25 January 2017)

Results and dividends

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

During the year dividends were paid amounting to £15,303,285 (2015: £2,185,000).

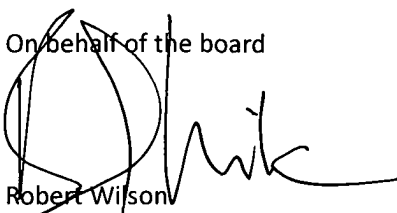
Auditors

Saffery Champness LLP 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

26 April 2017

A Nelson & Co Limited

Directors' responsibilities statement For the year ended 31 December 2016

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 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 2016 set out on pages 6 to 29. 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 page 3, 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 2016 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, based on the work undertaken in the course of our audit, 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, and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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 LLP

22 May 2017

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

A Nelson & Co Limited**Income statement****For the year ended 31 December 2016**

		2016	2015
	Notes	£'000	£'000
Turnover	3	47,658	42,594
Cost of sales		(12,644)	(11,921)
Gross profit		35,014	30,673
Administrative expenses		(29,266)	(27,644)
Operating profit	4	5,748	3,029
Interest receivable and similar income	8	12,001	159
Interest payable and similar expenses	10	(327)	(317)
Profit before taxation		17,422	2,871
Taxation	9	(1,240)	(626)
Profit for the financial year		16,182	2,245

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

A Nelson & Co Limited

**Statement of comprehensive income
For the year ended 31 December 2016**

	2016	2015
	£'000	£'000
Profit for the year	16,182	2,245
Other comprehensive income		
Loss on cash flow hedges arising in the year	(82)	-
Total comprehensive income for the year	<u>16,100</u>	<u>2,245</u>

A Nelson & Co Limited

Statement of financial position

As at 31 December 2016

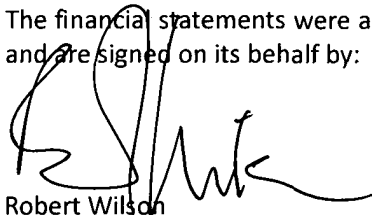
	Notes	£'000	2016 £'000	£'000	2015 £'000
Fixed assets					
Tangible assets	12		4,540		4,994
Investments	13		4,392		4,392
			<u>8,932</u>		<u>9,386</u>
Current assets					
Stocks	15	3,383		4,244	
Debtors	16	14,759		12,442	
Cash at bank and in hand		2,805		5,710	
		<u>20,947</u>		<u>22,396</u>	
Creditors: amounts falling due within one year	17	(13,610)		(12,265)	
Net current assets			<u>7,337</u>		<u>10,131</u>
Total assets less current liabilities			<u>16,269</u>		<u>19,517</u>
Creditors: amounts falling due after more than one year	18		(8,007)		(12,052)
Provisions for liabilities	20		(86)		(86)
Net assets			<u>8,176</u>		<u>7,379</u>
Capital and reserves					
Called up share capital	23		75		75
Capital redemption reserve			-		357
Hedging reserve			(82)		-
Profit and loss reserves			8,183		6,947
Total equity			<u>8,176</u>		<u>7,379</u>

A Nelson & Co Limited

Statement of financial position (continued)

As at 31 December 2016

The financial statements were approved by the board of directors and authorised for issue on 26 April 2017 and are signed on its behalf by:

A handwritten signature in black ink, appearing to read 'R Wilson', is written over the text 'and are signed on its behalf by:'.

Robert Wilson

Director

Company Registration No. 00249879

A Nelson & Co Limited

**Statement of changes in equity
For the year ended 31 December 2016**

		Share capital	Hedging reserve	Capital redemption reserve	Profit and loss reserves	Total
	Notes	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2015		75	-	357	6,887	7,319
Year ended 31 December 2015:						
Profit and total comprehensive income for the year		-	-	-	2,245	2,245
Dividends	11	-	-	-	(2,185)	(2,185)
Balance at 31 December 2015		75	-	357	6,947	7,379
Year ended 31 December 2016:						
Profit for the year		-	-	-	16,182	16,182
Other comprehensive income:						
Loss on cash flow hedges arising in the year		-	(82)	-	-	(82)
Total comprehensive income for the year		-	(82)	-	16,182	16,100
Dividends	11	-	-	-	(15,303)	(15,303)
Transfers		-	-	(357)	357	-
Balance at 31 December 2016		75	(82)	-	8,183	8,176

1 Accounting policies

Company information

A Nelson & Co Limited is a private company limited by shares 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.

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.

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 Accounting policies (continued)

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 credited or charged to profit or loss.

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 period end date, the company reviews the carrying amounts of its tangible 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.

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.

1 Accounting policies (continued)

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 are basic financial assets and 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 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

1 Accounting policies (continued)

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Other financial liabilities, including debt instruments that do not meet the definition of a basic financial instrument, are measured at fair value through profit or loss.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 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 Accounting policies (continued)

1.11 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.12 Taxation

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

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 Accounting policies (continued)

1.13 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.

1.14 Retirement benefits

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

1.15 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.

1.16 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 15 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 16 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 2016

3 Turnover and other revenue

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

	2016 £'000	2015 £'000
United Kingdom	11,177	11,334
Europe	22,736	20,080
America	5,419	5,462
Rest of world	8,326	5,718
	<u>47,658</u>	<u>42,594</u>

4 Operating profit

	2016 £'000	2015 £'000
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(1,586)	(578)
Research and development costs	140	210
Depreciation of owned tangible fixed assets	1,437	1,421
Profit on disposal of tangible fixed assets	(3)	-
Cost of stocks recognised as an expense	14,230	12,499
Operating lease charges	539	472
	<u>14,230</u>	<u>12,499</u>

5 Auditors' remuneration

	2016 £'000	2015 £'000
Fees payable to the company's auditors and associates:		
For audit services		
Audit of the company's financial statements	<u>38</u>	<u>36</u>
For other services		
All other non-audit services	<u>3</u>	<u>8</u>

Notes to the financial statements (continued)

For the year ended 31 December 2016

6 Employees

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

	2016 Number	2015 Number
Production	56	53
Sales and administration	108	115
	<u>164</u>	<u>168</u>

Their aggregate remuneration comprised:

	2016 £'000	2015 £'000
Wages and salaries	10,179	9,292
Social security costs	1,160	934
Pension costs	430	470
	<u>11,769</u>	<u>10,696</u>

Redundancy payments made or committed	<u>526</u>	<u>525</u>
---------------------------------------	------------	------------

7 Directors' remuneration

	2016 £'000	2015 £'000
Remuneration for qualifying services	2,227	1,447
Company pension contributions to defined contribution schemes	110	92
	<u>2,337</u>	<u>1,539</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2015 - 4).

A Nelson & Co Limited

Notes to the financial statements (continued)

For the year ended 31 December 2016

7 Directors' remuneration (continued)

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

Remuneration for qualifying services	822	655
Company pension contributions to defined contribution schemes	10	40
	<u> </u>	<u> </u>

8 Interest receivable and similar income

	2016	2015
	£'000	£'000
Interest income		
Interest receivable from group companies	211	159
Income from fixed asset investments		
Income from shares in group undertakings	11,790	-
	<u> </u>	<u> </u>
Total income	<u>12,001</u>	<u>159</u>

9 Taxation

	2016	2015
	£'000	£'000
Current tax		
UK corporation tax on profits for the current period	1,240	626
	<u> </u>	<u> </u>

A Nelson & Co Limited**Notes to the financial statements (continued)****For the year ended 31 December 2016****9 Taxation (continued)**

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2016	2015
	£'000	£'000
Profit before taxation	17,422	2,871
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.25%)	3,484	581
Tax effect of expenses that are not deductible in determining taxable profit	30	12
Permanent capital allowances in excess of depreciation	86	19
Other permanent differences	-	14
Dividend income	(2,358)	-
Other tax adjustments	(2)	-
Taxation for the year	1,240	626

10 Interest payable and similar expenses

	2016	2015
	£'000	£'000
Interest on bank overdrafts and loans	26	16
Interest payable to group undertakings	301	301
	327	317

11 Dividends

	2016	2015
	£'000	£'000
Interim paid	15,303	2,185

A Nelson & Co Limited

Notes to the financial statements (continued)
For the year ended 31 December 2016

12 Tangible fixed assets

	Leasehold land and buildings £'000	Plant and machinery £'000	Fixtures, fittings & equipment £'000	Total £'000
Cost				
At 1 January 2016	830	4,756	7,827	13,413
Additions	-	192	791	983
At 31 December 2016	830	4,948	8,618	14,396
Depreciation and impairment				
At 1 January 2016	765	3,703	3,951	8,419
Depreciation charged in the year	7	308	1,122	1,437
At 31 December 2016	772	4,011	5,073	9,856
Carrying amount				
At 31 December 2016	58	937	3,545	4,540
At 31 December 2015	65	1,053	3,876	4,994

13 Fixed asset investments

	Notes	2016 £'000	2015 £'000
Investments in subsidiaries	14	4,392	4,392

Movements in fixed asset investments

	Shares in group undertakings £'000
Cost or valuation	
At 1 January 2016 & 31 December 2016	4,392
Carrying amount	
At 31 December 2016	4,392
At 31 December 2015	4,392

A Nelson & Co Limited

Notes to the financial statements (continued)

For the year ended 31 December 2016

14 Subsidiaries

Details of the company's subsidiaries at 31 December 2016 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Nelson Pharmacies Limited	Nelsons House, 83 Parkside, Wimbledon, London, SW19 5LP	Sale of natural medicines	Ordinary	100.00	
Nelson Pharmacies (Ireland) Limited	Grafton Buildings, 34 Grafton Street, Dublin 2	Dormant	Ordinary	100.00	
Bach Flower Remedies Limited	Nelsons House, 83 Parkside, Wimbledon, London, SW19 5LP	Licensing of trademarks and distribution agreements	Ordinary	100.00	
Nelson Bach (USA) Limited	USA (Massachusetts)	Sale of natural medicines	Ordinary	100.00	
Nelson GmbH	Germany (Hamburg)	Sale of natural medicines	Ordinary	100.00	
Bach Flower Essences Inc	USA (Massachusetts)	Dormant	Ordinary	100.00	
Nelsons Aura Limited	Nelsons House, 83 Parkside, Wimbledon, London, SW19 5LP	Dormant	Ordinary	100.00	
Nelson & Russell Limited	Nelsons House, 83 Parkside, Wimbledon, London, SW19 5LP	Dormant	Ordinary	100.00	

A Nelson & Co Limited

Notes to the financial statements (continued)
For the year ended 31 December 2016

15 Stocks

	2016	2015
	£'000	£'000
Raw materials and consumables	1,946	2,126
Finished goods and goods for resale	1,437	2,118
	<u>3,383</u>	<u>4,244</u>

16 Debtors

	2016	2015
	£'000	£'000
Amounts falling due within one year:		
Trade debtors	5,216	4,478
Corporation tax recoverable	-	418
Amounts due from subsidiary undertakings	8,578	6,921
Other debtors	389	157
Prepayments and accrued income	576	468
	<u>14,759</u>	<u>12,442</u>

17 Creditors: amounts falling due within one year

	Notes	2016	2015
		£'000	£'000
Bank loans and overdrafts	19	-	250
Trade creditors		2,313	2,382
Amounts due to group undertakings		6,536	6,762
Corporation tax		218	-
Other taxation and social security		269	334
Derivative financial instruments		82	-
Other creditors		87	65
Accruals and deferred income		4,105	2,472
		<u>13,610</u>	<u>12,265</u>

A Nelson & Co Limited

Notes to the financial statements (continued)

For the year ended 31 December 2016

18 Creditors: amounts falling due after more than one year

	Notes	2016 £'000	2015 £'000
Bank loans and overdrafts	19	-	125
Other creditors		8,007	11,927
		<u>8,007</u>	<u>12,052</u>

19 Loans and overdrafts

	2016 £'000	2015 £'000
Bank loans	-	375
	<u>-</u>	<u>375</u>
Payable within one year	-	250
Payable after one year	-	125
	<u>-</u>	<u>375</u>

The bank loan was repaid in full in March 2016.

20 Provisions for liabilities

	Notes	2016 £'000	2015 £'000
Deferred tax liabilities	21	86	86
		<u>86</u>	<u>86</u>

Notes to the financial statements (continued)
For the year ended 31 December 2016

21 Deferred taxation

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

	Liabilities 2016 £'000	Liabilities 2015 £'000
Balances:		
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.

22 Retirement benefit schemes

	2016 £'000	2015 £'000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	430	470
	<u>430</u>	<u>470</u>

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.

A Nelson & Co Limited

Notes to the financial statements (continued)

For the year ended 31 December 2016

23 Share capital

	2016 £'000	2015 £'000
Ordinary share capital		
Issued and fully paid		
75 Ordinary shares of £1 each	75	75

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

The capital redemption reserve represented non-distributable amounts following the repurchase of the company's own shares. The capital redemption reserve was transferred to the profit and loss account during the year, following a capital reduction process.

The hedge reserve represents the movement of fair value gains and losses on forward exchange contracts.

24 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 2016 the total debt amounted £nil (2015: £375,000).

During the year the ultimate parent company, Nelson & Russell Holdings Limited, entered into a £20,000,000 senior facilities agreement with HSBC Bank Plc. The facility expires in March 2020 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. At 31 December 2016 the total debt amounted to £13,625,000.

During the year the company entered into certain cash flow hedges to sell currency and hedge against its exposure to receipts in Euro's. At the balance sheet date the company was committed to sell the following forward foreign exchange contracts in 2017:

€8 million at an average rate of 1.177.

A Nelson & Co Limited

Notes to the financial statements (continued)

For the year ended 31 December 2016

25 Operating lease commitments

Lessee

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:

	2016 £'000	2015 £'000
Within one year	559	494
Between two and five years	1,799	1,647
In over five years	3,029	3,200
	<u>5,387</u>	<u>5,341</u>

26 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2016 £'000	2015 £'000
Acquisition of property, plant and equipment	-	93
	<u>-</u>	<u>93</u>

27 Related party transactions

During the year the company sold healthcare products amounting to £6,635,376 (2015: £4,059,876) 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 £1,841,227 (2015: £1,086,672).

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.

28 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.