

Company Registration No. 00249879 (England and Wales)

A Nelson & Co Limited

**Annual report and financial statements
for the year ended 31 December 2020**



A Nelson & Co Limited

Company information

Directors	Robert Wilson Patrick Wilson Simon Hodge Michael Lockett	(Appointed 22 April 2020) (Appointed 1 July 2021)
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Company number	00249879
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Registered office	Nelsons House 83 Parkside Wimbledon London SW19 5LP
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Independent auditor	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE
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Bankers	HSBC Bank plc 8 Canada Square London E14 5HQ
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A Nelson & Co Limited

Contents

	Page
Strategic report	1
Stakeholder engagement report	2 - 5
Directors' report	6 - 7
Directors' responsibilities statement	8
Independent auditor's report	9 - 12
Income statement	13
Statement of comprehensive income	14
Statement of financial position	15
Statement of changes in equity	16
Notes to the financial statements	17 - 36

A Nelson & Co Limited

Strategic report

For the year ended 31 December 2020

The directors present the strategic report for the year ended 31 December 2020.

Review of the business

A Nelson & Co Limited (the 'company') continues to operate predominantly in Europe whilst growing the business in America and a number of export markets.

The company continues to develop and invest in the existing brands whilst extending the product range to compliment its portfolio.

Principal risks and uncertainties

The company's principal activity is the manufacture and sale of natural healthcare products. These products can be classified in different ways depending on the market in which they are sold and the local regulations applying in these markets. As the regulatory environment within which the company operates evolves and changes, the company must respond accordingly which may require changes to manufacturing methods, packaging or product content.

The company exports to a number of markets 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.

The outbreak of the Coronavirus (COVID-19) in March has impacted global financial markets, although this has been difficult for many businesses the company has assessed the potential financial implications of the pandemic and has sufficient resources to allow it to trade through this period.

Development and performance

As reported in the company's income statement, company revenue has fallen slightly from £55.3m in 2019 to £46.1m in 2020. Profit before tax has increased from £3.4m to £14.6m.

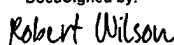
The company's Balance Sheet stood at £16.5m at the year end which is 139.9% increase on 2019.

Key performance indicators

The following key performance indicators are reported:

- 1) Global sales have decreased by 16.6% in this year (2019: Static).
- 2) Profit on ordinary activities before taxation increased to £14.6m (2019: £3.4m).
- 3) Net Assets have increased to £16.5m (2019: £7.1m) at 31 December 2020.

On behalf of the board

DocuSigned by:

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Robert Wilson

Director

27 July 2021

A Nelson & Co Limited

Stakeholder engagement report For the year ended 31 December 2020

This statement is intended by the Directors to set out how they have approached and met their responsibilities under Section 172 of Companies Act 2006 in the financial period ending 31 December 2020.

The directors of A Nelson & Co Limited ("Nelsons") act in accordance with a set of general duties, including those under Section 172 of the Companies Act 2006 to promote the success of the company. In doing so they comply with the below factors:

- (a) the likely consequences of any decision in the long term;
 - (b) the interests of the company's employees;
 - (c) the need to foster the company's business relationships with suppliers, customers and others;
 - (d) the impact of the company's operations on the community and the environment;
 - (e) the desirability of the company maintaining a reputation for high standards of business conduct; and
 - (f) the need to act fairly as between members of the company.
- (Companies Act 2006, Section 172(1))

Nelsons has in place an existing corporate social responsibility framework '**Happier & Healthier' Community; Business; Planet; and People** which embraces our company's:

- Mission of inspiring generations to live healthier, happier lives;
- Vision of being a leading socially responsible natural healthcare company dedicated to our consumers' everyday health and wellness through high quality naturally inspired global brands that deliver effective results in a gentle and safe way; and
- Core values of passion, responsibility, integrity, excellence and collaboration.

It is under this framework that Nelsons' directors summarise how they have regard to the respective elements of Section 172 in the fulfilment of their duties during 2020.

Using this framework, the Board is committed to taking a long-term perspective on all matters to ensure the ongoing success of Nelsons and oversee a structured approach to the development of the company's strategic plans.

Healthier, Happier Community

As a socially responsible company, Nelsons has a long tradition of supporting communities both in the UK and abroad. Nelsons commit to donating an amount of its profits every year to a wide variety of charity partners, globally, with some organisations having been supported since their inception.

Tied to our company mission of inspiring generations to live healthier, happier lives, Nelsons has supported a number of sports, health and community charities over recent years.

In 2021, we will continue our development of our volunteering strategy to enable our staff to dedicate time to support charities, together as an organisation, as well as those close to their hearts.

A Nelson & Co Limited

Stakeholder engagement report For the year ended 31 December 2020

Happier, Healthier Business

Ethical business conduct is a fundamental element of what makes Nelsons a company of which we are all proud. Our ongoing engagement with this critical area gives the Board confidence that day to day business decisions are always taken within the context of the appropriate mind-set, guided by our culture and core values. We expect to see these behaviours at all levels of the company. Maintaining our reputation as a responsible business depends on both our individual and collective conduct, and we place strong focus on the way we operate our business activities to ensure the long-term success of Nelsons.

Business Conduct Programme:

Every Nelsons' worker annually completes our online Business Conduct E-Module & Knowledge Check Programme which covers the core areas of Anti-Bribery, Modern Slavery, Anti-Facilitation of Tax Evasion, Confidentiality, Conflicts of Interest and Whistleblowing. Each of these areas is underpinned by a Policy. 100% of the company successfully completed this programme in 2020 and there have been no dismissals for breaches of business conduct in 2020.

Business Relationships:

Nelsons strive to work with customers and suppliers that embrace standards of ethical behaviour that are consistent with our own standards and policies. Many of our relationships are long-standing, due to the regulated environment within which we operate. We are committed to responsibly conducting business throughout our supply chain, and continually improving processes which reduce the risk of unethical practices. To clarify the standards of conduct we expect from our suppliers, we follow the below best practices to reinforce our stance on responsible procurement:

- **Due Diligence & Auditing:** Before commencing work with any supplier, all suppliers must pass through our procurement, quality, and legal & compliance pre-contract due diligence, which includes insurances verifications, industry accreditation checks, disclosure of outstanding legal claims, and a physical audit of their premises. All of these ensure compliance with our standards across quality, technical, regulatory and business conduct disciplines. We are also aware of the need to continue to improve our understanding of our suppliers' sustainability credentials, in line with our Healthier Happier Planet framework below.
- **Contracting:** We embrace fair negotiations with our suppliers and always strive to ensure parity and equity in our mutually agreed commercial and legal terms.

Happier Healthier Planet

As a manufacturer, we recognise that our operations have an environmental impact, from the energy and resources we use, to the waste our factories generate. Our mission at Nelsons is to inspire generations to live healthier, happier lives and how we deliver that is through naturally inspired products; it is at the heart of what we do. We want to ensure we minimise our impact on the environment and work towards building a sustainable future, not only for ourselves but also for future generations. We are therefore committed to reducing the environmental impact of both our operations and products, minimising our ecological footprint. In line with our Healthier, Happier Planet initiative, we regularly review our energy and waste consumption.

In 2020, we recycled 46% of our waste and incinerated (with energy recovery) 10%. Our recycling programmes across our offices and sites remain ongoing, and these have continued to increase our recycling contribution in line with our Healthier, Happier Planet initiative.

A Nelson & Co Limited

Stakeholder engagement report For the year ended 31 December 2020

We are also progressing the set-up of longer-term goals around the sustainability of our packaging and ingredients. Currently all of our cardboard packaging is sourced from the only paper mill in the UK, and for every tree used in our products, a new tree is planted. This factory is carbon neutral and being located in the UK means the material travels the shortest distance possible to our UK manufacturing sites, rather than coming from abroad. All long-term product development contains sustainability at the heart of the projects.

In 2020, our UK energy usage was as follows:

- Electricity: 1,190,481kwh
- Gas: 411,720kwh
- Water: 5638m3

As regards our energy consumption in 2021, our Head Office and London Pharmacy remain powered by 100% renewable energy (wind & solar), as well as our regional offices in France and Germany. Our estimated energy consumption from renewable sources for our remaining sites is 40%. By the end of 2022, our ambition is 100% of energy consumption will be from renewable sources across Nelsons owned manufacturing sites.

Happier, Healthier People

The Board recognises the importance of the contribution made by Nelsons' employees and is committed to creating an environment where our employees can flourish and give their best to Nelsons. Our core values and policies give employees guidance on the behaviours we expect in carrying out their duties. The Board, in line with our Business Conduct Policy, ensures there are clearly defined processes to allow employees to raise concerns in the workplace and we are committed to ensuring these issues are fully investigated and dealt with in the appropriate way.

The Board is fully briefed and aware of the many initiatives we drive to fulfil Happier, Healthier People, including:

- Fair remuneration programs to drive the right behaviours in line with Nelsons' values, including being recognised as an organisation that participates in the Real Living Wage campaign.
- Commitment to ensuring gender diversity, equality and inclusion (DE&I) in the workplace which is now more firmly embedded by the formation of a DEI Team. At the time of this report, our employee diversity is 53% female and across the 4 countries in which we operate directly, we employ 28 different nationalities.
- A comprehensive annual engagement program to ensure we recognise and act upon employee feedback to make Nelsons a great place to work.
- An uncompromising commitment to a strong and compliant health and safety environment for all our employees, ensuring Nelsons is a safe place to work. We train all new starters on health and safety disciplines, and annually update our Health and Safety Policy.

A Nelson & Co Limited

Stakeholder engagement report For the year ended 31 December 2020

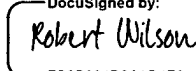
Covid-19 Statement

The Board has held regular meetings since the beginning of UK lockdown in March 2020 to closely monitor the impact of Covid-19 and to ensure Nelsons' ongoing operational resilience.

The well-being of our colleagues has been paramount, guided by our uncompromising commitment to the health and safety across all locations. This has included stopping all business travel and enabling employees to work remotely, as well as offering flexibility to accommodate childcare needs and extra holiday allowances where required. For those business-critical roles within our manufacturing and retail sites, we have implemented all government and public health authority advised adjustments, including the provision of the right personal protective equipment, social distancing measures, and hygiene protocols. Additional procedures to our cleaning routines as part of our Good Manufacturing Practices have also been implemented. On top of these practical safety measures, we are, and will continue to support, our colleagues with advice on how to look after their emotional wellbeing and that of their families throughout these uncertain times. We have not made use of the Coronavirus Job Retention Scheme as none of our employees were furloughed during this period.

Our global and regional teams have constantly monitored ongoing developments, and closely worked with our customers, to ensure we minimise any disruption in service and continue to meet our consumers' needs, in a safe and secure way. Knowing that our products, as a natural healthcare provider, can support our customers and consumers during the challenges of Covid-19 has driven us to fulfil our delivery promises. During the pandemic, we have been proud to work with our customers and partners to supply our products to both charities and front-line workers and in 2020, we donated 60,000 RESCUE® products across our global markets, including France, Germany, the USA and the UK.

On behalf of the board

DocuSigned by:

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Robert Wilson
Director
27 July 2021

A Nelson & Co Limited

Directors' report

For the year ended 31 December 2020

The directors present their annual report and financial statements for the year ended 31 December 2020.

Principal activities

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

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

Claire Ferguson

(Resigned 31 December 2020)

Simon Hodge

(Appointed 22 April 2020)

Michael Lockett

(Appointed 1 July 2021)

Results and dividends

The results for the year are set out on page 13.

During the year dividends were paid amounting to £5m (2019: £nil).

Economic environment

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has impacted global financial markets. In the UK market activity is being impacted in all sectors and the current response to COVID-19 means that we are faced with an unprecedented set of circumstances. At the approval date of these financial statements the fair value of the derivative financial instruments included in note 16, which relate to forward contracts to sell currency, has decreased significantly due to the impact of COVID-19 on the value of sterling.

In light of the current uncertainties the directors have assessed the potential financial implications of the pandemic, and have assessed that the company has sufficient resources to allow it to trade through this period.

Auditor

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

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report.

A Nelson & Co Limited

Directors' report (continued)
For the year ended 31 December 2020

Statement of disclosure to auditor

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 auditor is 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 auditor is aware of that information.

On behalf of the board

DocuSigned by:

Robert Wilson

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Robert Wilson
Director

27 July 2021

A Nelson & Co Limited

**Directors' responsibilities statement
For the year ended 31 December 2020**

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

Opinion

We have audited the financial statements of A Nelson & Co Limited (the 'company') for the year ended 31 December 2020 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

A Nelson & Co Limited

Independent auditor's report (continued) To the members of A Nelson & Co Limited

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the 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.

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

A Nelson & Co Limited

Independent auditor's report (continued) To the members of A Nelson & Co Limited

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the company by discussions with directors and by updating our understanding of the sector in which the company operates.

Laws and regulations of direct significance in the context of the company include The Companies Act 2006 and UK Tax legislation.

Further, the company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements; through a significant fine, litigation or restrictions on the company's operations. We identified the most significant of such laws and regulations to be those issued by the Medicines and Healthcare products Regulatory Agency (MHRA) and Food and Drug Administration (FDA).

Audit response to risks identified

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

A Nelson & Co Limited

Independent auditor's report (continued)
To the members of A Nelson & Co Limited

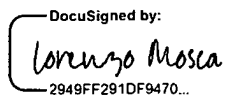
During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

DocuSigned by:

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Lorenzo Mosca (Senior Statutory Auditor)
For and on behalf of Saffery Champness LLP

17 August 2021

Date:.....

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

A Nelson & Co Limited**Income statement****For the year ended 31 December 2020**

		2020	2019
	Notes	£'000	as restated £'000
Turnover	3	46,108	55,277
Cost of sales		(10,136)	(12,113)
Gross profit		35,972	43,164
Administrative expenses		(36,933)	(40,414)
Operating (loss)/profit	4	(961)	2,750
Interest receivable and similar income	8	16,334	408
Interest payable and similar expenses	9	(698)	(482)
Fair value gains and losses on foreign exchange contracts		(32)	783
Profit before taxation		14,643	3,459
Tax on profit	10	-	(622)
Profit for the financial year		14,643	2,837

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

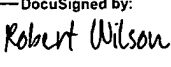
A Nelson & Co Limited**Statement of comprehensive income
For the year ended 31 December 2020**

	2020	2019
	£'000	£'000
Profit for the year	14,643	2,837
Other comprehensive income		
Cash flow hedges gain reclassified to profit or loss	-	13
Total comprehensive income for the year	<u>14,643</u>	<u>2,850</u>

A Nelson & Co Limited**Statement of financial position
As at 31 December 2020**

			2020	2019
	Notes	£'000	£'000	as restated £'000
Fixed assets				
Intangible assets	12		731	974
Tangible assets	13		2,421	3,087
Investments	14		4,392	4,392
			<u>7,544</u>	<u>8,453</u>
Current assets				
Stocks	17	4,958		4,422
Debtors	18	29,889		33,283
Cash at bank and in hand		4,564		-
		<u>39,411</u>		<u>37,705</u>
Creditors: amounts falling due within one year	19	(30,421)		(39,267)
Net current assets/(liabilities)			<u>8,990</u>	<u>(1,562)</u>
Total assets less current liabilities			<u>16,534</u>	<u>6,891</u>
Capital and reserves				
Called up share capital	22		75	75
Profit and loss reserves			16,459	6,816
Total equity			<u>16,534</u>	<u>6,891</u>

The financial statements were approved by the board of directors and authorised for issue on 7 July 2021 and are signed on its behalf by:

DocuSigned by:

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 Robert Wilson
 Director

Company Registration No. 00249879

A Nelson & Co Limited**Statement of changes in equity
For the year ended 31 December 2020**

		Share capital	Hedging reserve	Profit and loss reserves	Total
	Notes	£'000	£'000	£'000	£'000
As restated for the period ended 31 December 2019:					
Balance at 1 January 2019		75	(13)	4,172	4,234
Effect of change in accounting policy		-	-	(193)	(193)
As restated		75	(13)	3,979	4,041
Year ended 31 December 2019:					
Profit for the year		-	-	2,837	2,837
Other comprehensive income:					
Cash flow hedges gains reclassified to profit or loss		-	13	-	13
Total comprehensive income for the year		-	13	2,837	2,850
Balance at 31 December 2019		75	-	6,816	6,891
Year ended 31 December 2020:					
Profit and total comprehensive income for the year		-	-	14,643	14,643
Dividends	11	-	-	(5,000)	(5,000)
Balance at 31 December 2020		75	-	16,459	16,534

A Nelson & Co Limited

Notes to the financial statements

For the year ended 31 December 2020

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.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Nelson & Russell Holdings Limited. These consolidated financial statements are available from its registered office, Nelsons House, 83 Parkside, Wimbledon, SW19 5 LP.

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**Notes to the financial statements (continued)**
For the year ended 31 December 2020**1 Accounting policies (continued)****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 products 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 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

Licences	Over the term of the licence
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1.5 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% & 20% 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.

A Nelson & Co Limited

Notes to the financial statements (continued)
For the year ended 31 December 2020

1 Accounting policies (continued)

1.6 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.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.7 Impairment of fixed assets

At each reporting period 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.

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) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

A Nelson & Co Limited

Notes to the financial statements (continued) **For the year ended 31 December 2020**

1 Accounting policies (continued)

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to net realisable value.

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.

1.9 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.

1.10 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

A Nelson & Co Limited

Notes to the financial statements (continued)
For the year ended 31 December 2020

1 Accounting policies (continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

Basic financial liabilities

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.

A Nelson & Co Limited

Notes to the financial statements (continued)
For the year ended 31 December 2020

1 Accounting policies (continued)

Other financial liabilities

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 that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. 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.

1.11 Equity instruments

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

1.12 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.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.13 Taxation

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

A Nelson & Co Limited**Notes to the financial statements (continued)**
For the year ended 31 December 2020

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.

1.14 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.

1.15 Retirement benefits

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

1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

A Nelson & Co Limited

Notes to the financial statements (continued)
For the year ended 31 December 2020

1 Accounting policies (continued)

1.17 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 in the period are included in the income statement.

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 16 for the net carrying amount of the inventory.

A Nelson & Co Limited**Notes to the financial statements (continued)**
For the year ended 31 December 2020**2 Critical accounting judgements and key sources of estimation uncertainty (continued)*****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 18 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.

3 Turnover

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

	2020	2019
	£'000	£'000
Turnover analysed by geographical market		
United Kingdom	15,754	9,236
Europe	15,536	27,839
America	6,400	7,000
Rest of world	8,418	11,202
	<u>46,108</u>	<u>55,277</u>

A Nelson & Co Limited**Notes to the financial statements (continued)**
For the year ended 31 December 2020**4 Operating (loss)/profit**

	2020	2019
	£'000	£'000
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange losses	687	1,427
Depreciation of owned tangible fixed assets	1,001	1,766
Profit on disposal of tangible fixed assets	-	(1)
Amortisation of intangible assets	243	243
Cost of stocks recognised as an expense	9,449	10,686
Operating lease charges	622	595
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2020	2019
	£'000	£'000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	38	38
	<u> </u>	<u> </u>
For other services		
All other non-audit services	1	1
	<u> </u>	<u> </u>

6 Employees

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

	2020	2019
	Number	Number
Production	38	59
Sales and administration	160	137
	<u> </u>	<u> </u>
Total	198	196
	<u> </u>	<u> </u>

A Nelson & Co Limited**Notes to the financial statements (continued)**
For the year ended 31 December 2020**6 Employees (continued)**

Their aggregate remuneration comprised:

	2020	2019
	£'000	£'000
Wages and salaries	12,236	11,712
Social security costs	1,235	1,034
Pension costs	603	585
	<u>14,074</u>	<u>13,331</u>
Redundancy payments made or committed	<u>19</u>	<u>100</u>

7 Directors' remuneration

	2020	2019
	£'000	£'000
Remuneration for qualifying services	2,619	2,204
Company pension contributions to defined contribution schemes	65	54
	<u>2,684</u>	<u>2,258</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2019 - 3).

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

	2020	2019
	£'000	£'000
Remuneration for qualifying services	<u>1,074</u>	<u>697</u>

Compensation to directors in respect of loss of office amounted to £845,000 (2019: £30,000).

A Nelson & Co Limited**Notes to the financial statements (continued)
For the year ended 31 December 2020****8 Interest receivable and similar income**

	2020	2019
	£'000	£'000
Interest income		
Interest receivable from group companies	479	408
Income from fixed asset investments		
Income from shares in group undertakings	15,855	-
Total income	16,334	408

9 Interest payable and similar expenses

	2020	2019
	£'000	£'000
Interest on bank overdrafts and loans	59	-
Interest payable to group undertakings	639	482
	698	482

A Nelson & Co Limited**Notes to the financial statements (continued)**
For the year ended 31 December 2020**10 Taxation**

	2020	2019
	£'000	£'000
Current tax		
UK corporation tax on profits for the current period	-	690
Adjustments in respect of prior periods	-	151
	<u>-</u>	<u>841</u>
Total current tax	<u>-</u>	<u>841</u>
Deferred tax		
Origination and reversal of timing differences	-	(219)
Changes in tax rates	-	-
	<u>-</u>	<u>-</u>
Total tax charge	<u>-</u>	<u>622</u>

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:

	2020	2019
	£'000	£'000
Profit before taxation	14,643	3,459
	<u>14,643</u>	<u>3,459</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	2,782	657
Tax effect of expenses that are not deductible in determining taxable profit	2	9
Gains not taxable	178	-
Unutilised tax losses carried forward	79	-
Adjustments in respect of prior years	-	151
Group relief	-	(27)
Permanent capital allowances in excess of depreciation	1	51
Dividend income	(3,013)	-
Movement in deferred tax	-	(219)
Other tax adjustments	(29)	-
	<u>-</u>	<u>-</u>
Taxation charge for the year	<u>-</u>	<u>622</u>

A Nelson & Co Limited**Notes to the financial statements (continued)**
For the year ended 31 December 2020**11 Dividends**

	2020	2019
	£'000	£'000
Paid during the year	5,000	-
	<u> </u>	<u> </u>

12 Intangible fixed assets

	Licences
	£'000
Cost	
At 1 January 2020 and 31 December 2020	4,583
	<u> </u>
Amortisation and impairment	
At 1 January 2020	3,609
Amortisation charged for the year	243
	<u> </u>
At 31 December 2020	3,852
	<u> </u>
Carrying amount	
At 31 December 2020	731
	<u> </u>
At 31 December 2019	974
	<u> </u>

A Nelson & Co Limited**Notes to the financial statements (continued)**
For the year ended 31 December 2020**13 Tangible fixed assets**

	Leasehold land and buildings £'000	Plant and machinery £'000	Fixtures, fittings & equipment £'000	Total £'000
Cost				
At 1 January 2020	838	5,851	10,858	17,547
Additions	-	78	271	349
Disposals	-	(15)	-	(15)
At 31 December 2020	838	5,914	11,129	17,881
Depreciation and impairment				
At 1 January 2020	789	4,628	9,043	14,460
Depreciation charged in the year	6	276	719	1,001
Eliminated in respect of disposals	-	(1)	-	(1)
At 31 December 2020	795	4,903	9,762	15,460
Carrying amount				
At 31 December 2020	43	1,011	1,367	2,421
At 31 December 2019	49	1,223	1,815	3,087

14 Fixed asset investments

	Notes	2020 £'000	2019 £'000
Investments in subsidiaries	15	4,392	4,392

A Nelson & Co Limited**Notes to the financial statements (continued)**
For the year ended 31 December 2020**15 Subsidiaries**

Details of the company's subsidiaries at 31 December 2020 are as follows:

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

16 Financial instruments

	2020 £'000	2019 £'000
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	-	783
Carrying amount of financial liabilities		
Measured at fair value through profit or loss		
- Other financial liabilities	32	-

A Nelson & Co Limited**Notes to the financial statements (continued)**
For the year ended 31 December 2020**17 Stocks**

	2020	2019
	£'000	£'000
Raw materials and consumables	2,140	1,812
Finished goods and goods for resale	2,818	2,610
	<u>4,958</u>	<u>4,422</u>

18 Debtors

	2020	2019
	£'000	£'000
Amounts falling due within one year:		
Trade debtors	6,632	5,842
Corporation tax recoverable	1,880	634
Amounts owed by group undertakings	20,101	24,721
Derivative financial instruments	-	783
Other debtors	276	704
Prepayments and accrued income	868	467
	<u>29,757</u>	<u>33,151</u>

	2020	2019
	£'000	£'000
Amounts falling due after more than one year:		
Deferred tax asset (note 21)	<u>132</u>	<u>132</u>
Total debtors	<u>29,889</u>	<u>33,283</u>

A Nelson & Co Limited**Notes to the financial statements (continued)**
For the year ended 31 December 2020**19 Creditors: amounts falling due within one year**

	2020	2019
		As restated
	£'000	£'000
Bank loans and overdrafts	-	3,345
Trade creditors	3,205	1,767
Amounts owed to group undertakings	22,878	30,567
Taxation and social security	373	327
Derivative financial instruments	32	-
Other creditors	948	1,202
Accruals and deferred income	2,985	2,059
	<u>30,421</u>	<u>39,267</u>

20 Retirement benefit schemes

	2020	2019
	£'000	£'000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>603</u>	<u>585</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.

21 Deferred taxation

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

	Assets	Assets
	2020	2019
Balances:	£'000	£'000
Capital allowances	<u>132</u>	<u>132</u>

There were no deferred tax movements in the year.

A Nelson & Co Limited**Notes to the financial statements (continued)**
For the year ended 31 December 2020**22 Capital and reserves**

	2020	2019
	£'000	£'000
Ordinary share capital		
Issued and fully paid		
75,000 Ordinary shares of £1 each	75	75
	<u>75</u>	<u>75</u>

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

The profit and loss reserves represent the cumulative realised profits or losses net of dividends paid and other adjustments.

23 Financial commitments, guarantees and contingent liabilities

The company has given a £4,000,000 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.

Nelson & Russell Holdings Limited entered into a £14,000,000 senior facilities agreement with HSBC Bank. The facility expires in February 2023 and is secured by way of a floating charge over all the assets of the company in favour of HSBC Bank Plc dated 6 February 2020. The facility was extended by £6,000,000 on 20 May 2020. At 31 December 2020 the total debt amounted to £14,000,000 (2019: £9,875,000).

During the year the company entered into contracts to sell currency and hedge against its exposure to receipts in foreign currency. At the balance sheet date the company was committed to sell the following forward foreign exchange contracts in 2021:

Foreign currency	Amount committed	Average rate
EUR	6.93m	1.12
USD	4.08m	1.34
AUD	2.57m	1.82

A Nelson & Co Limited**Notes to the financial statements (continued)
For the year ended 31 December 2020****24 Operating lease commitments****Lessee**

At 31 December 2020 the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020	2019
	£'000	£'000
Within one year	516	499
Between two and five years	2,576	2,005
In over five years	1,383	1,853
	<u>4,475</u>	<u>4,357</u>

25 Related party transactions**Transactions with related parties**

During the year the company sold healthcare products amounting to £6,332,701 (2019: £6,789,243) 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 £3,988,700 (2019: £3,305,587).

26 Ultimate 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 presented, 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 Prior period adjustment

The directors have elected a voluntary change in accounting policy which has had an effect on the current and prior period. The Bach Centre contract fee previously expensed annually is now being capitalised as an intangible fixed asset on the balance sheet as this is considered to provide more relevant information as to the nature of said agreement. The effect on the comparative period was as follows; intangible fixed assets £973,350, other creditors (£1,132,635), retained earnings £159,285.