

**STRATEGIC REPORT,  
REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019  
FOR  
FOREVER LIVING PRODUCTS (U.K.) LIMITED**

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**for the year ended 31 December 2019**

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**FOREVER LIVING PRODUCTS (U.K.) LIMITED**

**COMPANY INFORMATION**  
**for the year ended 31 December 2019**

**DIRECTORS:**

R G Maughan  
G E Maughan

**SECRETARIES:**

G E Maughan  
Abogado Nominees Limited

**REGISTERED OFFICE:**

Longbridge Manor  
Longbridge  
Warwick  
Warwickshire  
CV34 6RB

**REGISTERED NUMBER:**

02269910 (England and Wales)

**AUDITORS:**

Luckmans Duckett Parker Limited  
1110 Elliott Court  
Coventry Business Park  
Herald Avenue  
Coventry  
West Midlands  
CV5 6UB

**STRATEGIC REPORT  
for the year ended 31 December 2019**

The directors present their strategic report for the year ended 31 December 2019.

**REVIEW OF BUSINESS**

2019 has been a less successful year for the company, with sales decreasing by 24%.

Legislation continues to be of some risk to the company, in particular the Nutrition and Health Claims Regulations.

The company's Compliance & Regulatory Support Team continues to work with business owners on what is compliant and what they can say in adverts and social media posts.

Forever has a strong sustainability policy and has reduced waste by 50% and increased recycling from 26% to 61% since 2006.

One of the company's key measurements of effectiveness of its operations is calculating gross profit margin. The company's gross profit margin for the year is up on previous years at 72% (2018 - 69%). The company has recorded an operating loss of £256,307 in the current year compared to an operating profit of £89,286 in 2018.

The balance sheet on page 8 shows that the company's net assets at the year-end have decreased.

The company's cash levels have decreased by £4,099,803 from £9,847,154 at the end of 2018 to £5,747,351 at the end of the current financial year.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Company's activities expose it to a number of financial risks including credit risk and cash flow risk.

**Cash flow risk**

The company purchases all its products from the from Forever Direct, a related party of the Company and therefore is exposed to movement in the Euro to Pound Sterling exchange rate. The company minimises the risk of exchange rate fluctuations by operating a currency bank account. The company monitors the Euro exchange rate and purchases when the rate is favourable.

**Credit risk**

The Company's principal financial assets are cash and trade and other receivables.

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The Company has no significant concentration of credit risk, with exposure spread over a large number of customers.

**Liquidity risk**

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company maintains sufficient cash reserves at all times.

Further details regarding liquidity risk can be found in the note 1 of the financial statements on page 12

**Price risk**

The price of products may increase due to changes in exchange rates and/or production costs but is mitigated by being part of a Group purchasing arrangement whereby all of our prices are set by America and costs are also set by a worldwide pricing structure and thus exposure is reduced.

**STRATEGIC REPORT  
for the year ended 31 December 2019**

**FUTURE DEVELOPMENTS**

The Directors expect the general level of activity in 2020 to fluctuate as a result of COVID-19. The initial impact of the pandemic is expected to be somewhat offset by a significant increase in new Forever Business Owners in April, May and June.

The Company has been planning for Brexit. It will be bringing in additional stocks into its' warehouse facility to be able to cover any delays in bringing in bulk shipments to its' product centres following the UK's exit from the EU.

**GOING CONCERN**

The company's business activities together with the factors likely to affect its future development are set out above.

The principal risks and uncertainties of the company are set out above. The directors have considered the financial and cash flow forecasts for a period more than 12 months from the date of signing these financial statements and concluded that income and future cash flows will continue to be derived from the company's principal activity and that the company has sufficient financial resources available for the foreseeable future. As a consequence, the directors believe that the company is well placed to manage its business risks and meet its liabilities as they fall due despite the current uncertain economic outlook. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

**ON BEHALF OF THE BOARD:**

G E Maughan - Director

24 July 2020

**REPORT OF THE DIRECTORS  
for the year ended 31 December 2019**

The directors present their report with the financial statements of the company for the year ended 31 December 2019.

**DIVIDENDS**

No interim dividend was paid during the year. The directors recommend a final dividend of £372 per share.

The total distribution of dividends for the year ended 31 December 2019 will be £ 3,720,000 .

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report.

R G Maughan  
G E Maughan

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Luckmans Duckett Parker Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

G E Maughan - Director

24 July 2020

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FOREVER LIVING PRODUCTS (U.K.) LIMITED**

### **Opinion**

We have audited the financial statements of Forever Living Products (U.K.) Limited (the 'company') for the year ended 31 December 2019 which comprise the Statement of Income and Retained Earnings, Balance Sheet, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of 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 2019 and of its loss 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 Auditors' 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FOREVER LIVING PRODUCTS (U.K.) 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 or the Report of the Directors.

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 Statement of Directors' Responsibilities set out on page four, 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 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.

### **Auditors' 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 a Report of the Auditors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

### **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 a Report of the Auditors 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.

Mark Spafford ACA FCCA (Senior Statutory Auditor)  
for and on behalf of Luckmans Duckett Parker Limited  
1110 Elliott Court  
Coventry Business Park  
Herald Avenue  
Coventry  
West Midlands  
CV5 6UB

20 August 2020



**STATEMENT OF INCOME AND RETAINED EARNINGS**  
for the year ended 31 December 2019

	Notes	2019 £	£	2018 £	£
<b>TURNOVER</b>	3		24,510,601		32,193,744
Cost of sales			<u>6,870,553</u>		<u>9,982,161</u>
<b>GROSS PROFIT</b>			17,640,048		22,211,583
Distribution costs		11,166,085		14,615,490	
Administrative expenses		<u>6,730,270</u>		<u>7,506,807</u>	
			<u>17,896,355</u>		<u>22,122,297</u>
<b>OPERATING (LOSS)/PROFIT</b>	5		(256,307)		89,286
Interest receivable and similar income			<u>40,618</u>		<u>20,295</u>
			(215,689)		109,581
Interest payable and similar expenses	6		<u>2,548</u>		<u>-</u>
<b>(LOSS)/PROFIT BEFORE TAXATION</b>			(218,237)		109,581
Tax on (loss)/profit	7		<u>(39,259)</u>		<u>34,932</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>			(178,978)		74,649
Retained earnings at beginning of year			7,729,763		7,655,114
Dividends	8		<u>(3,720,000)</u>		<u>-</u>
<b>RETAINED EARNINGS AT END OF YEAR</b>			<u>3,830,785</u>		<u>7,729,763</u>

The notes form part of these financial statements

**BALANCE SHEET**  
**31 December 2019**

	Notes	2019 £	£	2018 £	£
<b>FIXED ASSETS</b>					
Tangible assets	9		82,652		73,757
<b>CURRENT ASSETS</b>					
Stocks	10	329,852		370,024	
Debtors	11	1,138,299		1,278,960	
Cash at bank and in hand		<u>5,747,351</u>		<u>9,847,154</u>	
		7,215,502		11,496,138	
<b>CREDITORS</b>					
Amounts falling due within one year	12	<u>3,110,169</u>		<u>3,534,932</u>	
<b>NET CURRENT ASSETS</b>			<u>4,105,333</u>		<u>7,961,206</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			4,187,985		8,034,963
<b>PROVISIONS FOR LIABILITIES</b>	14		<u>347,200</u>		<u>295,200</u>
<b>NET ASSETS</b>			<u><u>3,840,785</u></u>		<u><u>7,739,763</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	15		10,000		10,000
Retained earnings	16		<u>3,830,785</u>		<u>7,729,763</u>
<b>SHAREHOLDERS' FUNDS</b>			<u><u>3,840,785</u></u>		<u><u>7,739,763</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 24 July 2020 and were signed on its behalf by:

G E Maughan - Director

**CASH FLOW STATEMENT**  
for the year ended 31 December 2019

	Notes	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(298,966)	2,640,942
Interest paid		(2,548)	-
Tax paid		(75,180)	(221,000)
Net cash from operating activities		<u>(376,694)</u>	<u>2,419,942</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(43,810)	(9,996)
Sale of tangible fixed assets		83	7,000
Interest received		40,618	20,295
Net cash from investing activities		<u>(3,109)</u>	<u>17,299</u>
<b>Cash flows from financing activities</b>			
Equity dividends paid		(3,720,000)	-
Net cash from financing activities		<u>(3,720,000)</u>	<u>-</u>
<b>(Decrease)/increase in cash and cash equivalents</b>		<u>(4,099,803)</u>	<u>2,437,241</u>
<b>Cash and cash equivalents at beginning of year</b>	2	9,847,154	7,409,913
<b>Cash and cash equivalents at end of year</b>	2	<u>5,747,351</u>	<u>9,847,154</u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT**  
for the year ended 31 December 2019

1. **RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2019 £	2018 £
(Loss)/profit before taxation	(218,237)	109,581
Depreciation charges	34,915	47,246
(Profit)/loss on disposal of fixed assets	(83)	418
Finance costs	2,548	-
Finance income	(40,618)	(20,295)
	<u>(221,475)</u>	<u>136,950</u>
Decrease in stocks	40,172	956,838
Decrease in trade and other debtors	221,084	2,008,925
Decrease in trade and other creditors	(338,747)	(461,771)
<b>Cash generated from operations</b>	<u>(298,966)</u>	<u>2,640,942</u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 December 2019**

	31.12.19 £	1.1.19 £
Cash and cash equivalents	<u>5,747,351</u>	<u>9,847,154</u>

**Year ended 31 December 2018**

	31.12.18 £	1.1.18 £
Cash and cash equivalents	<u>9,847,154</u>	<u>7,409,913</u>

3. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.1.19 £	Cash flow £	At 31.12.19 £
<b>Net cash</b>			
Cash at bank and in hand	<u>9,847,154</u>	<u>(4,099,803)</u>	<u>5,747,351</u>
	<u>9,847,154</u>	<u>(4,099,803)</u>	<u>5,747,351</u>
<b>Total</b>	<u>9,847,154</u>	<u>(4,099,803)</u>	<u>5,747,351</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 December 2019**

**1. STATUTORY INFORMATION**

Forever Living Products (U.K.) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The address of the registered office is given on the Company Information page. The nature of the group's operations and its principal activities are set out in the Strategic Report on pages 1 and 2.

The functional currency of Forever Living Products (U.K.) Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The financial statements are also presented in pounds sterling.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Going concern**

The Directors have considered the financial and cash flow forecast for a period of more than 12 months from the date of signing these financial statements and concluded that income and future cash flows will continue to be derived from the Company's principal activity and that the Company has sufficient financial resources available for the foreseeable future. As a consequence, the Directors believe that the Company is well placed to manage its business risks despite the current uncertain economic outlook. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

**Significant judgements and estimates**

There are no critical judgements and estimates that the directors have made in the process of applying the Company's accounting policies.

**Turnover**

Turnover represents the aggregate of amounts receivable for services and goods supplied in the ordinary course of business, excluding value added tax. Turnover from the sale of goods is recognised when the goods have been ordered and despatched to the business owner or retail customer.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 20% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 33% on cost

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2019**

**2. ACCOUNTING POLICIES - continued**

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Provisions for liabilities**

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 December 2019

3. **TURNOVER**

The turnover and loss (2018 - profit) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2019 £	2018 £
Sale of goods	22,944,557	30,213,437
Delivery revenue	951,962	1,333,742
Event revenue	125,202	246,344
Literature revenue	203,763	363,487
Other income	285,117	36,734
	<u>24,510,601</u>	<u>32,193,744</u>

4. **EMPLOYEES AND DIRECTORS**

	2019 £	2018 £
Wages and salaries	2,043,640	2,234,050
Social security costs	177,879	173,917
Other pension costs	259,054	220,653
	<u>2,480,573</u>	<u>2,628,620</u>

The average number of employees during the year was as follows:

	2019	2018
Administrative	63	58
Manual	13	20
	<u>76</u>	<u>78</u>

	2019 £	2018 £
Directors' remuneration	<u>37,765</u>	<u>50,969</u>

5. **OPERATING (LOSS)/PROFIT**

The operating loss (2018 - operating profit) is stated after charging/(crediting):

	2019 £	2018 £
Other operating leases	521,617	569,831
Depreciation - owned assets	34,915	43,102
(Profit)/loss on disposal of fixed assets	(83)	418
Auditors' remuneration	14,980	20,722
Auditors' remuneration for non audit work	(248)	5,600
Foreign exchange differences	<u>(3,707)</u>	<u>5,543</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2019**

**6. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2019 £	2018 £
Bank interest	<u>2,548</u>	<u>-</u>

**7. TAXATION****Analysis of the tax (credit)/charge**

The tax (credit)/charge on the loss for the year was as follows:

	2019 £	2018 £
Current tax:		
UK corporation tax	(19,989)	34,932
Deferred tax	<u>(19,270)</u>	<u>-</u>
Tax on (loss)/profit	<u>(39,259)</u>	<u>34,932</u>

**Reconciliation of total tax (credit)/charge included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2019 £	2018 £
(Loss)/profit before tax	<u>(218,237)</u>	<u>109,581</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	(41,465)	20,820
Effects of:		
Expenses not deductible for tax purposes	2,206	13,322
Adjustments to tax charge in respect of previous periods	-	97
Tax rate change	-	693
Total tax (credit)/charge	<u>(39,259)</u>	<u>34,932</u>

A reduction in the UK corporation rate from 19% to 17% (effective from 1 April 2020) was substantially enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 31 December 2018 has been calculated based on these rates.

Following the UK election 12 December 2019, it is expected that that the rate reduction from 19% to 17% will not take place, as planned, effective from 1 April 2020. The deferred tax liability at 31 December 2019 has been calculated based on these rates.

**8. DIVIDENDS**

	2019 £	2018 £
Ordinary shares of £1 each		
Final	<u>3,720,000</u>	<u>-</u>



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2019**

**9. TANGIBLE FIXED ASSETS**

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>				
At 1 January 2019	349,873	15,870	225,790	591,533
Additions	38,154	-	5,656	43,810
Disposals	(674)	-	-	(674)
At 31 December 2019	<u>387,353</u>	<u>15,870</u>	<u>231,446</u>	<u>634,669</u>
<b>DEPRECIATION</b>				
At 1 January 2019	287,876	15,870	214,030	517,776
Charge for year	27,553	-	7,362	34,915
Eliminated on disposal	(674)	-	-	(674)
At 31 December 2019	<u>314,755</u>	<u>15,870</u>	<u>221,392</u>	<u>552,017</u>
<b>NET BOOK VALUE</b>				
At 31 December 2019	<u>72,598</u>	<u>-</u>	<u>10,054</u>	<u>82,652</u>
At 31 December 2018	<u>61,997</u>	<u>-</u>	<u>11,760</u>	<u>73,757</u>

**10. STOCKS**

	2019 £	2018 £
Stocks	<u>329,852</u>	<u>370,024</u>

**11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019 £	2018 £
Trade debtors	414,520	453,566
Amounts owed by group undertakings	164,762	275,554
Tax	61,153	-
Deferred tax asset	67,143	47,873
Prepayments and accrued income	430,721	501,967
	<u>1,138,299</u>	<u>1,278,960</u>

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019 £	2018 £
Trade creditors	400,878	296,223
Amounts owed to group undertakings	62,856	26,612
Tax	-	34,016
Social security and other taxes	463,068	679,220
Accruals and deferred income	2,183,367	2,498,861
	<u>3,110,169</u>	<u>3,534,932</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 December 2019

13. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2019 £	2018 £
Within one year	394,786	400,916
Between one and five years	945,395	921,663
In more than five years	294,909	491,516
	<u>1,635,090</u>	<u>1,814,095</u>

14. PROVISIONS FOR LIABILITIES

	2019 £	2018 £
Other provisions	<u>347,200</u>	<u>295,200</u>
	Deferred tax	Dilapidations Provision
	£	£
Balance at 1 January 2019	(47,873)	295,200
(Credit)/charge to Income Statement during year	(19,270)	52,000
Balance at 31 December 2019	<u>(67,143)</u>	<u>347,200</u>

The nature of this obligation is dilapidations in respect of rented premises at:

£320,000 - Unit 3 Titan Business Centre, Spartan Close, Tachbrook Park Drive, Warwick. This may be used by June 2021.

£27,200 - Units 3.3/3.4, Building 3 Caldecotte Lake Business Park, Caldecotte Lake Drive, Caldecotte, Milton Keynes. This is expected to be used by the end of 2020.

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2019 £	2018 £
10,000	Ordinary	£1	<u>10,000</u>	<u>10,000</u>

16. RESERVES

	Retained earnings £
At 1 January 2019	7,729,763
Deficit for the year	(178,978)
Dividends	(3,720,000)
At 31 December 2019	<u>3,830,785</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 December 2019

17. RELATED PARTY DISCLOSURES

The ultimate controlling party is Mr R G Maughan, the director and principal shareholder. The trading transactions with related parties are summarised as follows:

	Purchases 2019	Purchases 2018	Sales 2019	Sales 2018
Aloe Vera of America	62,541	52,903	-	-
Forever Direct	7,504,758	8,876,023	258,524	162,644
Forever Living Products Benelux	603	-	30,527	3,133
Forever Living Products Europe	960	-	-	-
Forever Living Products Germany	7,940	-	-	-
Forever Living Products Greece	-	-	35	369
Forever Living Products Iceland	-	-	22,822	25,378
Forever Living Products International	1,316,498	980,828	-	131,099
Forever Living Products Ireland	-	870	433,795	9,528
Forever Living Products Malta	-	-	-	1,361
Forever Living Products Romania	-	-	-	254
Forever Living Products Scandinavia	12,579	-	-	-
FLP.com	1,209	575	-	-
Global Incentive Services	210,992	399,919	-	-
Ireland Investments LLC	-	-	73,811	-
UK Investments	93,779	100,000	-	-
<b>Totals</b>	<b>9,211,859</b>	<b>10,411,118</b>	<b>819,514</b>	<b>333,766</b>

The year end balances with related parties are summarised as follows:

	Due from related party 2019	Due from related party 2018	Due to related party 2019	Due to related party 2018
Aloe Vera of America	21,071	22,538	261	91
Forever Direct	581	163,456	62,305	-
Forever Living Products Benelux	5,035	133	-	-
Forever Living Products Europe	-	-	282	-
Forever Living Products Iceland	25,499	887	8	-
Forever Living Products International	67,375	88,516	-	26,521
Forever Living Products Ireland	37,238	24	-	-
Ireland Investments LLC	7,963	-	-	-
<b>Totals</b>	<b>164,762</b>	<b>275,554</b>	<b>62,856</b>	<b>26,612</b>

During the year, the company purchased goods and services to the value of £62,541 (2018 - £52,903) from Aloe Vera of America, Inc. Amounts owed to Aloe Vera of America, Inc of £261 (2018 - £91) relate to trading balances and are due within 7 days. Amounts owed by Aloe Vera of America, Inc of £21,071 (2019 - £22,538) relate to trading balances and are due within 7 days.

During the year the company purchased goods in the ordinary course of business from Forever Direct BV, who purchased goods from Aloe Vera of America Inc and supply to all Forever Living Products companies in Europe, at a cost of £7,504,758 (2018 - £8,876,023). All amounts are due within 7 days.

During the year, the company charged Forever Direct BV goods and services to the value of £258,524 (2018 - £162,644). Amounts owed by Forever Direct BV of £581 (2018 - £163,456) all relate to trading balances. Amounts owed to Forever Direct BV of £62,305 (2018 - £nil) all relate to trading balances and are due within 7 days.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 December 2019**

The company occupies premises owned by UK Investments LLC., a company controlled by Mr R G Maughan, for which £93,779 (2018 - £100,000) rent was paid and charged in the year.

Forever Living Products Iceland ehf was charged £21,600 (2018 - £21,600) for administration services performed by the company on their behalf. All amounts are due within 30 days.

Forever Living Products Ireland Ltd was charged £243,000 (2018 - £nil) for administration services performed by the company on their behalf. All amounts are due within 30 days.

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