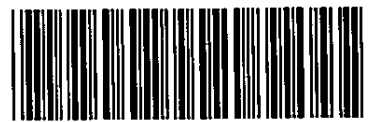


**FOREVER LIVING PRODUCTS (UK)
LIMITED**

Report and Financial Statements

31 December 2010

TUESDAY



AH4A4WX2

A29

23/08/2011

218

COMPANIES HOUSE

FOREVER LIVING PRODUCTS (UK) LIMITED

REPORT AND FINANCIAL STATEMENTS 2010

CONTENTS	Page
Directors' report	1
Directors' responsibilities statement	3
Independent auditor's report	4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Reconciliation of net cash flow to movement in net funds	7
Notes to the financial statements	8

FOREVER LIVING PRODUCTS (UK) LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2010

BUSINESS REVIEW AND PRINCIPAL ACTIVITY

The principal activity of the company is the marketing of health nutritional and beauty products. There has been no change in the principal activity of the company during the year. The directors are not aware at the date of this report of any likely changes in the company's activities in the forthcoming year.

The directors were happy with the company's results. The following are the financial key performance indicators that the directors use to monitor the performance of the business.

As shown in the company's profit and loss account on page 5, the company's sales have increased by 3.1% over the prior year (2009 - increased by 3.2%). The sales growth can be attributable to better trading.

The company's key measurement of effectiveness of its operations is calculating gross profit margin. The company's gross profit margin for the year is slightly down on previous years at 72.8% (2009 - 73.2%). The company has recorded an operating loss of £393,827 in the current year compared to an operating loss of £585,589 in 2009.

The balance sheet on page 6 shows that the company's net assets at the year-end have reduced. The reduction in net assets is due to the loss for the year.

The company's cash levels have decreased by £714,751 from £2,990,745 at the end of 2009 to £2,275,994 at the end of the current financial year. This is mainly due to tougher trading conditions.

Work continued on encouraging new distributors to move through the marketing plan. There were 3 new products launched in 2010 which the company is hoping will be popular and contribute to strong growth in 2011. The directors expect the general level of activity in the forthcoming year to continue to grow with the launch of the 3 new products.

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 below. 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 despite the current uncertain economic outlook. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

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

Cash flow risk

The company purchases all its products from the Netherlands and therefore is exposed to movement in the Euro to Pound 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 compared with the average rate used each month. The average rate used is that of HM Revenue & Customs.

Credit risk

The company's principal financial assets include bank balances and cash and trade 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.

DIRECTORS' REPORT (continued)

DIVIDENDS AND TRANSFERS TO RESERVES

The directors paid a dividend of £nil during the year (2009 - £574 064). The results of the company are set out on page 5. The directors do not recommend the payment of a final dividend (2009 - £nil).

The loss for the year of £316 381 (2009 - £476 657 loss) has been transferred from reserves.

DIRECTORS

The directors who served throughout the year and subsequently were as follows:

R G Maughan

G Maughan

AUDITOR

In the case of the directors of the company at the date when this report is approved:

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken as directors to make himself/herself aware of any relevant audit information and to establish that the company's auditor are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



G MAUGHAN

Director

FOREVER LIVING PRODUCTS (UK) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare the 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 those financial statements the directors are required to

- (a) select suitable accounting policies and then apply them consistently,
- (b) make judgements and accounting estimates that are reasonable and prudent,
- (c) state whether applicable UK accounting standards have been followed, and
- (d) 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOREVER LIVING PRODUCTS (UK) LIMITED

We have audited the financial statements of Forever Living Products (UK) Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account the Balance Sheet the Cash Flow Statement the Net Cash Flow to Movement in Net Funds and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 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

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Alistair Pritchard FCA

Alistair Pritchard FCA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

Birmingham United Kingdom

Date 29 July 2011

FOREVER LIVING PRODUCTS (UK) LIMITED

PROFIT AND LOSS ACCOUNT
Year ended 31 December 2010

	Note	2010 £	2009 £
TURNOVER	2	24 157 199	23 412 358
Cost of sales		<u>(6 568 872)</u>	<u>(6 265 323)</u>
Gross profit		<u>17,588 327</u>	<u>17 147 035</u>
Distribution costs		(13 307 301)	(13,412 687)
Administrative expenses		<u>(4 674 853)</u>	<u>(4 319 937)</u>
		<u>(17 982 154)</u>	<u>(17 732 624)</u>
OPERATING LOSS	4	(393,827)	(585 589)
Interest receivable	5	8 626	6 903
Interest paid		<u>(1)</u>	<u>(17 382)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(385 202)	(596 068)
Tax on loss on ordinary activities	6	<u>68,821</u>	<u>119 411</u>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR	15	<u><u>(316 381)</u></u>	<u><u>(476 657)</u></u>

All activities derive from continuing operations

There are no recognised gains and losses other than the loss for the current year and the prior year. Accordingly no statement of total recognised gains and losses is given

FOREVER LIVING PRODUCTS (UK) LIMITED

BALANCE SHEET
31 December 2010

	Note	2010	2009
		£	£
FIXED ASSETS			
Tangible assets	7	134 482	161 240
Investments	8	<u>197 500</u>	<u>197 500</u>
		331 982	358 740
CURRENT ASSETS			
Stocks	9	1,194 708	1 333 093
Debtors	10	663 207	1,573,750
Cash at bank and in hand		<u>2 275,994</u>	<u>2,990 745</u>
		4 133,909	5 897 588
CREDITORS amounts falling due within one year	11	<u>(3,266,120)</u>	<u>(4 740 176)</u>
NET CURRENT ASSETS		<u>867,789</u>	<u>1 157,412</u>
TOTAL ASSETS LESS CURRENT LIABILITIES, BEING NET ASSETS		<u>1 199,771</u>	<u>1 516 152</u>
CAPITAL AND RESERVES			
Called up share capital	14	10,000	10 000
Profit and loss account	15	<u>1,189 771</u>	<u>1 506 152</u>
SHAREHOLDERS' FUNDS	16	<u>1,199 771</u>	<u>1,516 152</u>

The financial statements of Forever Living Products (UK) Limited registered number 2269910 were approved and authorised for issue by the Board of Directors on 28 July 2011

Signed on behalf of the Board of Directors


G MAUGHAN

Director

Date 28 July 2011

FOREVER LIVING PRODUCTS (UK) LIMITED

CASH FLOW STATEMENT
Year ended 31 December 2010

	Note	2010 £	2009 £
Net cash (outflow)/inflow from operating activities	17	(799,944)	1,635,344
Return on investment and servicing of finance	18	8 626	6,903
Capital expenditure and financial investment	18	(44 632)	(107 349)
Dividends paid		-	(574 064)
Taxation		221 233	(282 613)
Cash outflow before financing and exchange movements		<u>(614 717)</u>	<u>678 221</u>
Foreign exchange arising on cash and cash equivalents		(100,034)	10 172
Cash outflow before financing being (decrease)/increase in cash in the year		<u><u>(714 751)</u></u>	<u><u>688 393</u></u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

Year ended 31 December 2010

		2010 £	2009 £
Cash outflow before financing and exchange movements	19	(614 717)	678 221
Foreign exchange movements		(100 034)	10,172
Movement in net funds in the year		<u>(714,751)</u>	<u>688 393</u>
Net funds at 1 January		<u>2 990 745</u>	<u>2 302 352</u>
Net funds at 31 December		<u><u>2 275 994</u></u>	<u><u>2 990 745</u></u>

FOREVER LIVING PRODUCTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2010

1 ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable UK accounting standards. The particular accounting policies adopted are described below. They have all been applied consistently throughout the year and the preceding year.

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.

Accounting convention

The financial statements are prepared under the historical cost convention.

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 distributor.

Tangible fixed assets

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment. Depreciation is provided for all fixed assets to write off their cost over the following periods:

Computers	3 years straight line
Fixtures and office equipment	5 years straight line
Motor vehicles	4 years straight line

Stocks

Stocks are stated at the lower of cost and net realisable value.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities are not discounted.

Leases

Rental costs under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Pensions

The company operates a money purchase scheme for the benefit of its employees. The assets of the scheme are held separately from those of the company. The company's contributions to this scheme are shown in note 3.

FOREVER LIVING PRODUCTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2010

1 ACCOUNTING POLICIES (CONTINUED)

Foreign Currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

2 ANALYSIS OF TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and loss before taxation is entirely attributable to the principal activity and arises in the United Kingdom.

3 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2010	2009
	£	£
Directors' emoluments		
Emoluments	36 181	35 348
	<u> </u>	<u> </u>
	Number	Number
Average number of persons employed		
Administrative	40	41
Manual	38	37
	<u> </u>	<u> </u>
	78	78
	<u> </u>	<u> </u>
	£	£
Staff costs during the year (including directors)		
Wages and salaries	1 535,049	1 555 809
Social security costs	143,998	146 069
Other pension costs	143,952	82 095
	<u> </u>	<u> </u>
	1,822 999	1 783,973
	<u> </u>	<u> </u>

4 OPERATING LOSS

	2010	2009
	£	£
Operating loss is after charging/(crediting)		
Depreciation		
Owned assets	71 390	60 681
Rentals under operating leases		
Other operating leases	385 572	448 220
Hire of plant and machinery	20 969	21 152
Auditor's remuneration		
Audit services – fees payable to the company's auditor for the audit of the company's annual financial statements	14 500	16 000
Non audit services – tax services	6 700	19 827
Foreign exchange loss/(gain)	100 034	(10 172)
	<u> </u>	<u> </u>

FOREVER LIVING PRODUCTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2010

5 INTEREST RECEIVABLE

	2010	2009
	£	£
Bank interest	5 493	6 903
Interest on corporation tax refunds	3 133	-
	8 626	6 903

6 TAX ON LOSS ON ORDINARY ACTIVITIES

	2010	2009
	£	£
United Kingdom corporation tax charge at 28% based on the loss for the year	-	-
Adjustment in respect of prior years	(81 032)	(171 794)
Current tax	(81,032)	(171 794)
Deferred taxation		
- Timing differences origination and reversal	1,084	(9 362)
- Effect of rate change	839	-
- Adjustment in respect of prior years	10,288	61 745
Total tax on loss on ordinary activities	(68 821)	(119 411)

Factors affecting the tax credit for the year

The current tax credit varies from the standard rate of UK corporation tax due to the following factors

	2010	2009
	£	£
Loss on ordinary activities before tax	(385 202)	(596 068)
Tax at 28%	(107 857)	(166 899)
Expenses not deductible for tax purposes	12 965	20 420
Depreciation in excess of capital allowances	1 065	(1 647)
Other timing differences	93 827	11 009
Utilisation of tax losses	-	137 117
Adjustment in respect of prior years	(81,032)	(171 794)
	(81 032)	(171 794)

The Emergency Budget for 2010 introduced a reduction in the rate of corporation tax from 28% to 27% from 1 April 2011. This legislation was substantively enacted on 21 July 2010 and as such will impact the company's tax charge from 1 April 2011. Deferred tax assets and liabilities are measured at tax rates that are enacted or substantively enacted at the balance sheet date. Accordingly the reduction to 27% has been taken into account when measuring the deferred tax assets and liabilities at 31 December 2010.

On 23 March 2011 the Government announced that the main rate of Corporation Tax rate would further reduce to 26% with effect from 1 April 2011 with subsequent 1% reductions per annum to reach 23% with effect from 1 April 2014. These tax rate reductions had not been substantively enacted at the balance sheet date and therefore have not been reflected in the financial statements. The effect of these tax rate reductions on the deferred tax balance will be accounted for in the period in which the tax rate reductions are substantively enacted.

FOREVER LIVING PRODUCTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2010

7 TANGIBLE FIXED ASSETS

	Computers £	Fittings and office equipment £	Motor vehicles £	Total £
Cost				
At 1 January 2010	273 432	407 659	53,965	735 056
Additions	11 899	32 733	-	44 632
At 31 December 2010	<u>285 331</u>	<u>440 392</u>	<u>53 965</u>	<u>779 688</u>
Accumulated depreciation				
At 1 January 2010	207 289	325,126	41 401	573 816
Charge for the year	33 399	34,023	3 968	71 390
At 31 December 2010	<u>240 688</u>	<u>359 149</u>	<u>45 369</u>	<u>645 206</u>
Net book value				
At 31 December 2010	<u>44,643</u>	<u>81 243</u>	<u>8 596</u>	<u>134 482</u>
At 31 December 2009	<u>66 143</u>	<u>82 533</u>	<u>12 564</u>	<u>161 240</u>

8 INVESTMENTS

The two investment accounts of £195 000 and £200 000 each are held with HSBC Trust Company (UK) Limited and are both set up in the same way. Each account is 50% instant access, earning monthly interest and the other 50% (capital protected) is held in a fund linked to the growth of the UK stock-market. Interest on the growth element will be paid out at the end of the term in May 2012 and will be calculated in line with how much the UK stock-market has grown during the term.

9 STOCKS

	2010 £	2009 £
Goods for resale	<u>1 194 708</u>	<u>1 333 093</u>

There is no material difference between the balance sheet value of stocks and their replacement cost.

FOREVER LIVING PRODUCTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2010

10 DEBTORS

	2010	2009
Due within one year	£	£
Trade debtors	148 298	504 409
Amounts owed by related parties (note 12)	192,647	540 339
Deferred tax asset (note 13)	21 577	33 788
Corporation tax recoverable	-	140 202
Prepayments and accrued income	300 685	355 012
	<u>663 207</u>	<u>1 573 750</u>

11 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010	2009
	£	£
Trade creditors	214 255	366 489
Amounts owed to related parties (note 12)	569 927	101 422
Other taxation and social security	584,989	544 917
Accruals and deferred income	1 896 949	3 727 348
	<u>3 266 120</u>	<u>4 740 176</u>

FOREVER LIVING PRODUCTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2010

12 RELATED PARTY TRANSACTIONS

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		Sales	
	2010	2009	2010	2009
	£	£	£	£
Forever Living Products Austria	-	-	5,346	215
Forever Living Products Baltics	-	-	4,311	15,815
Forever Living Products Benelux	-	-	19,931	44,447
Forever Living Products Bulgaria	-	-	-	33,580
Forever Living Products Cyprus	-	-	-	1,386
Forever Living Products Czech Republic	-	-	200	8,812
Forever Living Products France	3,237	-	32,417	77,365
Forever Living Products Germany	-	-	-	127,276
Forever Living Products Ghana	-	-	11,281	8,233
Forever Living Products Greece	-	-	21,283	28,191
Forever Living Products Hungary	652	4,783	80,320	319,934
Forever Living Products Iceland	-	-	55,010	81,324
Forever Living Products International	-	-	2,046	3,012
Forever Living Products Ireland	2,946	1,011	118,771	77,405
Forever Living Products Israel	-	-	6,598	28,342
Forever Living Products Italy	-	-	17,221	33,625
Forever Living Products Kenya	-	-	3,808	-
Forever Living Products Malaysia	-	-	19,211	-
Forever Living Products Nigeria	-	-	114,554	88,156
Forever Living Products Poland	-	135	20,639	69,720
Forever Living Products Portugal	-	-	4,511	14,608
Forever Living Products Romania	-	-	24,249	165,044
Forever Living Products Russia	-	-	-	20,735
Forever Living Products Scandinavia	-	-	70,242	134,681
Forever Living Products Slovak Republic	-	-	6,787	48,488
Forever Living Products South Africa	-	-	22,006	37,909
Forever Living Products Spain	-	247,655	-	81,894
Forever Living Products Switzerland	-	-	12,917	44,057
Forever Living Products Turkey	-	-	29,106	80,219
Forever Living Products Uganda	-	-	-	375
Forever Living Products Ukraine	-	-	22,921	68,013

FOREVER LIVING PRODUCTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2010

12 RELATED PARTY TRANSACTIONS (CONTINUED)

The year end balances with related parties are summarised as follows

	Amounts due from related party		Amounts due to related party	
	2010	2009	2010	2009
	£	£	£	£
Forever Living Products Argentina	20 481	-	-	-
Forever Living Products Baltics	-	3 111	-	-
Forever Living Products Benelux	-	13 259	-	-
Forever Living Products Bulgaria	2 022	6 968	-	-
Forever Living Products Czech Republic	-	945	-	20
Forever Living Products France	-	24 570	-	-
Forever Living Products Germany	81 602	32 250	286 111	-
Forever Living Products Ghana	8 913	8 233	-	-
Forever Living Products Greece	-	9 032	-	-
Forever Living Products Hungary	1,448	63 580	-	-
Forever Living Products Iceland	16 589	17 415	-	-
Forever Living Products International	2 046	-	94 226	-
Forever Living Products Ireland	-	12 129	-	-
Forever Living Products Israel	-	6 898	-	-
Forever Living Products Italy	282	6 145	-	12 373
Forever Living Products Kenya	3,808	-	-	-
Forever Living Products Malaysia	10 408	-	-	-
Forever Living Products Nigeria	7 053	41 001	-	-
Forever Living Products Poland	-	14 182	-	-
Forever Living Products Portugal	156	8 404	-	-
Forever Living Products Romania	-	41 620	-	-
Forever Living Products Russia	-	20 206	-	-
Forever Living Products Scandinavia	5 519	35 886	-	-
Forever Living Products Slovak Republic	-	11 987	-	-
Forever Living Products South Africa	30 661	-	-	-
Forever Living Products Spain	1 476	1 540	-	-
Forever Living Products Switzerland	-	8 272	15	-
Forever Living Products Turkey	-	18 951	-	-
Forever Living Products Uganda	-	375	-	-
Forever Living Products Ukraine	183	68 013	-	-
	<u>192 647</u>	<u>474 972</u>	<u>380 352</u>	<u>12 393</u>

The company has the following amounts owed to Aloe Vera of America, Inc a company controlled by Mr R G Maughan

	2010	2009
	£	£
Aloe Vera of America Inc	<u>151 877</u>	<u>15 518</u>

The company has the following amounts owed to Forever Living com Inc a company controlled by Mr R G Maughan

	2010	2009
	£	£
Forever Living com Inc	<u>37 698</u>	<u>73 511</u>

FOREVER LIVING PRODUCTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2010

12 RELATED PARTY TRANSACTIONS (CONTINUED)

The company has the following amounts due from UK Investments LLC a company controlled by Mr R G Maughan

	2010	2009
	£	£
UK Investments LLC	-	64 350
	<u> </u>	<u> </u>

During the year the company purchased goods and services to the value of £358 513 (2009 - £1 408 129) from Aloe Vera of America Inc

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 £4,607,517 (2009 - £3 006 889) Amounts owed by Forever Direct BV of £nil (2009 - £1 017) all relate to trading balances Amounts owed to Forever Direct BV of £nil (2009 - £nil) all relate to trading balances

The company occupies premises owned by Mr R G Maughan for which £115,000 (2009 - £115 000) rent was charged in the year

Forever Living Products Iceland was also charged £21 600 (2009 - £21 600) for administration services performed by the company on their behalf

13 DEFERRED TAXATION

	2010	2009
	£	£
Balance at 1 January	(33 788)	(86 171)
Charge to profit and loss account	12 211	52 383
	<u> </u>	<u> </u>
Balance at 31 December (note 10)	<u>(21 577)</u>	<u>(33,788)</u>

The amounts provided in the financial statements are as follows

	2010	2009
	£	£
Capital allowances in excess of depreciation	(21 577)	(22 779)
Short term timing differences	-	(11 009)
	<u> </u>	<u> </u>
	<u>(21 577)</u>	<u>(33 788)</u>

The unrecognised deferred tax asset in respect of losses amounted to £92 586 (2009 - £nil) at the end of the period

FOREVER LIVING PRODUCTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2010

14 CALLED UP SHARE CAPITAL

	2010	2009
	£	£
Allotted and fully paid 10 000 Ordinary shares of £1 each	10 000	10 000

15 PROFIT AND LOSS ACCOUNT

		£
At 1 January 2010		1 506 152
Loss for the year		(316 381)
		1 189 771
At 31 December 2010		

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010	2009
	£	£
Loss for the financial year	(316 381)	(476 657)
Dividends paid	-	(574 064)
Opening shareholders' funds	1,516 152	2 566 873
	1,199 771	1,516 152
Closing shareholders' funds		

17 RECONCILIATION OF OPERATING LOSS TO OPERATING CASH FLOWS

	2010	2009
	£	£
Operating loss	(393 827)	(585 589)
Depreciation	71 390	60 681
(Profit) on disposal of fixed assets	-	(174)
Decrease in stock	138 385	458 510
Decrease/(increase) in debtors	758 130	(203 505)
(Decrease)/increase in creditors	(1 474 056)	1 915 593
Exchange differences	100 034	(10 172)
	(799 944)	1 635 344
Net cash (outflow)/inflow from operating activities		

FOREVER LIVING PRODUCTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2010

18 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2010	2009
	£	£
Return on investment and servicing of finance		
Interest receivable	8 626	6 903
	<u>8 626</u>	<u>6 903</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(44 632)	(107,523)
Proceeds on disposal of tangible fixed assets	-	174
	<u>(44 632)</u>	<u>(107 349)</u>

19 ANALYSIS OF NET CASH

	At 1 Jan 2010 £	Cash flow £	Exchange differences £	At 31 Dec 2010 £
Cash in hand and at bank	2 990 745	(614 717)	(100 034)	2 275 994
	<u>2 990 745</u>	<u>(614 717)</u>	<u>(100 034)</u>	<u>2 275 994</u>

20 FINANCIAL COMMITMENTS

Capital commitments

There were no capital commitments contracted for but not provided at 31 December 2010 (2009 - £nil)

Operating lease commitments

At 31 December 2010, the company was committed to making the following payments during the next year in respect of non-cancellable operating leases

	Land and buildings	
	2010	2009
	£	£
Leases which expire		
Within one year	-	180 000
Within two to five years	295 555	105 555
Over five years	158 720	158 720
	<u>454 275</u>	<u>444,275</u>

21 CONTROLLING PARTY

Mr R G Maughan controls 100% of the share capital of the company

22 DIVIDENDS

	2010	2009
	£	£
Interim dividend for the year ended 31 December 2010 of £nil (2009 - £57 41) per ordinary share	-	574 064
	<u>-</u>	<u>574 064</u>

FOREVER LIVING PRODUCTS (UK) LIMITED

ADDITIONAL INFORMATION

The additional information on page 20 has been prepared from the accounting records of the company. While it does not form part of the statutory financial statements, it should be read in conjunction with them and the auditor report thereon.

FOREVER LIVING PRODUCTS (UK) LIMITED

TRADING ACCOUNT
Year ended 31 December 2010

	2010	2009
	£	£
TURNOVER	24 157,199	23 412 358
Cost of sales		
Opening stock	1 333,093	1,791 601
Purchases freight and duty	6 430,487	5 806 815
Closing stock	<u>(1,194,708)</u>	<u>(1,333,093)</u>
	<u>6 568,872</u>	<u>6 265 323</u>
GROSS PROFIT	17 588 327	17 147 035
Distribution costs		
Bonuses	11 201,096	10 897 681
Royalties	59 145	171,785
Motor travel and entertaining	123 507	119 008
Events and trainings	1,722 974	2 018 633
Warehouse and delivery	<u>200 579</u>	<u>205 580</u>
	(13 307,301)	(13 412 687)
Administrative expenses		
Wages salaries and employment costs	1,822 999	1 783 973
Repairs and maintenance	320 583	553 362
Telephones	102 058	68 985
Heat light and power	55,267	56 083
Rent, rates and insurances	635,460	726 505
Bank charges	352,963	294 893
Legal and professional fees	319,376	294 546
Audit and accountancy	21,504	35 827
Management expenses	811,060	394 583
Depreciation	71,390	60 681
Profit on disposal of fixed asset	-	(174)
Loss/(Gain) on exchange	100,034	(10 172)
Sundry expenses	<u>62 159</u>	<u>60 845</u>
	(4 674 853)	(4 319 937)
OPERATING LOSS	<u>(393 827)</u>	<u>(585 589)</u>