

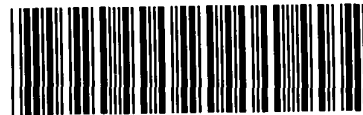
**Company Registration No. 2269910**

**Forever Living Products (UK) Limited**

**Annual report and Financial Statements**

**For the year ended 31 December 2015**

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# **Forever Living Products (UK) limited**

## **Company information**

### **Directors**

Mr Gregg Maurice Maughan  
Mr Rex G Maughan

### **Company secretary**

Abogado Nominees Limited

### **Registered number**

2269910

### **Registered office**

Longbridge Manor, Longbridge  
Warwick, Warwickshire, CV34 6RB

### **Auditor**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Birmingham

# **Forever Living Products (UK) Limited**

## **Annual report and financial statements**

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# Forever Living Products (UK) Limited

## Strategic Report

### BUSINESS REVIEW

2015 has been a very successful and profitable year for the company, with sales growing by 81% and new Business Owners growing by 54%. This growth far exceeds the company's expectations and has been strongly driven by the weight management products. Work continued on encouraging new Business Owners to move through the marketing plan. There were nine new products launched in 2015, which the company is hoping will be popular and contribute to growth in 2016. The directors expect the general level of activity in the forthcoming year to continue to grow.

Legislation continues to be of some risk to the company, in particular the Nutrition and Health Claims Regulations. The company's Regulatory & Compliance 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.

### FINANCIAL KEY PERFORMANCE INDICATORS

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 7, the company's sales have increased by 80% over the prior year (2014 - increased by 70%). The sales change can be attributable to better trading conditions during 2015 and a significant growth in the weight management area.

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 down on previous years at 67% (2014 - 70%). The company has recorded an operating profit of £3,491,820 in the current year compared to an operating profit of £1,963,774 in 2014.

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

The company's cash levels have decreased slightly by £276,959 from £5,626,998 at the end of 2014 to £5,350,039 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. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks. The Company does not use derivative financial instruments for speculative purposes.

#### 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.

## Forever Living Products (UK) Limited

### Strategic Report (continued)

#### BUSINESS STRATEGY AND OBJECTIVES

Forever UK's strategy is to enhance sales, retain customers and Business Owners, improve operations and ensure Forever UK is performing at its optimum level. The core objectives to meet this strategy are:

- Restructure departments;
- Establish the company as a brand leader in weight management;
- Incentivise business builders effectively; and
- Create a disaster recovery system

To meet these core objectives, Forever is to embark on the following activity areas:

- Review and modify internal processes;
- Review and modify staff training/staff induction programme;
- Review, modify and improve the new Business Owner experience;
- Engage with customers and consumers effectively; and
- Review, modify and improve the customer experience (before, during and after the sales transaction)

This report was approved by the board on [ 7th October 2016 ] and signed on its behalf.

  
G Maughan  
Director

[ 7th October ]2016

# Forever Living Products (UK) Limited

## Directors' Report

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

### PRINCIPLE BUSINESS ACTIVITIES

Forever Living Products (UK) Limited is in the market of health, beauty and nutritional products. It operates within a network marketing structure. Its Business Owners distribute the products via direct selling.

Forever UK's head office is in Warwick and it has Distribution facilities in London, Milton Keynes and Warwick.

### DIVIDENDS AND TRANSFERS TO RESERVES

The directors did not pay a dividend during the year (2014 - £nil). The results of the company are set out on page 7. The directors do not recommend the payment of a final dividend (2014 - £nil).

The profit for the year of £2,769,271 (2014 - £1,521,777 profit) has been transferred to reserves.

### 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 in the strategic report. 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.

### 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 is 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.

The financial statements on pages 7 to 23 were approved by the Board of Directors on 7th October 2016 and signed on its behalf by:



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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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.

## **Forever Living Products (UK) Limited**

### **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 2015 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

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



## **Forever Living Products (UK) Limited**

### **Independent Auditor's report to the members of Forever Living Products (UK) Limited**

#### **Matters on which we are required to report by exception**

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

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

*Alistair Pritchard FCA*

Alistair Pritchard FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Birmingham, United Kingdom

*7 October 2016*

## Forever Living Products (UK) Limited

### Profit and loss account Year Ended 31 December 2015

	Notes	2015 £	2014 £
<b>Turnover</b>	3	106,489,238	58,993,590
Cost of sales		<u>(34,793,582)</u>	<u>(17,497,522)</u>
Gross profit		<u>71,695,656</u>	<u>41,496,068</u>
Distribution costs		(56,134,670)	(31,899,629)
Administrative expenses		<u>(12,069,166)</u>	<u>(7,632,665)</u>
		<u>(68,203,836)</u>	<u>(39,532,294)</u>
<b>Operating profit</b>	5	3,491,820	1,963,774
Interest receivable	6	11,299	3,887
Interest paid		-	(30)
		<u>3,503,119</u>	<u>1,967,631</u>
<b>Profit on ordinary activities before taxation</b>	7	3,503,119	1,967,631
Tax on profit on ordinary activities	7	<u>(733,848)</u>	<u>(445,854)</u>
<b>Profit on ordinary activities after taxation for the financial year</b>		<u>2,769,271</u>	<u>1,521,777</u>

All activities derive from continuing operations.

There are no recognised gains and losses other than the profit for the year. The notes on pages 11 to 23 form part of the financial statements.

The company has no other comprehensive income other than the profit above and therefore no separate Statement of Comprehensive Income is prepared.


## Forever Living Products (UK) Limited

### Balance sheet 31 December 2015

	Notes	2015 £	2014 £
<b>Fixed assets</b>			
Tangible assets	8	325,154	297,862
<b>Current assets</b>			
Stocks	9	8,372,090	3,029,451
Debtors	10	4,904,911	2,247,150
Cash at bank and in hand		5,350,039	5,626,998
		<u>18,627,040</u>	<u>10,903,599</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>(12,574,365)</u>	<u>(7,712,903)</u>
<b>Net current assets</b>		<u>6,052,675</u>	<u>3,190,696</u>
<b>Total assets less current liabilities</b>		<u>6,377,829</u>	<u>3,488,558</u>
<b>Provisions for liabilities</b>	12	<u>(240,000)</u>	<u>(120,000)</u>
<b>Net assets</b>		<u><u>6,137,829</u></u>	<u><u>3,368,558</u></u>
<b>Capital and reserves</b>			
Called up share capital	16	10,000	10,000
Profit and loss account		<u>6,127,829</u>	<u>3,358,558</u>
<b>Shareholders' funds</b>		<u><u>6,137,829</u></u>	<u><u>3,368,558</u></u>

The financial statements of Forever Living Products (UK) Limited, registered number 2269910 were approved by the Board of Directors on 7th October 2016.

Signed on behalf of the Board of Directors



G Maughan  
Director

## Forever Living Products (UK) Limited

### Statement of changes in equity 31 December 2015

	<b>Called-up share capital £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
<b>At 31 December 2013 as previously stated</b>	10,000	1,836,781	1,846,781
Changes on transition to FRS102 (note 18)	-	-	-
<b>At 1 January 2014 as restated</b>	10,000	1,836,781	1,846,781
Profit for the financial year	-	1,521,777	1,521,777
<b>At 31 December 2014</b>	10,000	3,358,558	3,368,558
Profit for the financial year	-	2,769,271	2,769,271
<b>At 31 December 2015</b>	10,000	6,127,829	6,137,829

## Forever Living Products (UK) Limited

### Cash flow statement Year ended 31 December 2015

	Note	2015 £	2014 £
<b>Net cash flows from operating activities</b>	17	376,737	2,982,233
<b>Cash flows from investing activities</b>			
Proceeds from sale of fixed assets		666	375
Purchase of tangible fixed assets		(96,916)	(81,128)
Interest received		11,299	3,887
Interest paid		-	(30)
<b>Net cash flows from investing activities</b>		<u>(84,951)</u>	<u>(76,896)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>291,786</u>	<u>2,905,337</u>
<b>Cash and cash equivalents at beginning of year</b>		<u>5,626,998</u>	<u>2,698,813</u>
Effect of foreign exchange rate changes		(568,745)	22,848
<b>Cash and cash equivalents at end of year</b>		<u>5,350,039</u>	<u>5,626,998</u>
<b>Reconciliation to cash at bank and in hand:</b>			
Cash at bank and in hand		5,350,039	5,626,998
Cash equivalents		-	-
<b>Cash and cash equivalents</b>		<u>5,350,039</u>	<u>5,626,998</u>

## Forever Living Products (UK) Limited

### Notes to the financial statements Year ended 31 December 2015

#### 1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

##### **General information and basis of accounting**

Forever Living Products (UK) Limited is a company incorporated in the United Kingdom under the Companies Act. 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 to 2.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The prior year financial statements were restated for material adjustments on the adoption of FRS102 in the current year. For more information see note 18.

The functional currency of Forever Living Products (UK) 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.

##### **Financial assets and liabilities**

All financial assets and liabilities are initially measured at transaction price (including transaction costs). If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

##### **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.

## Forever Living Products (UK) Limited

### Notes to the financial statements Year ended 31 December 2015

#### 1. Accounting policies (continued)

##### 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
Fittings and office equipment	5 years straight line
Motor vehicles	4 years straight line
Assets Under Construction	No depreciation yet

##### Stocks

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

##### Taxation

Current tax, including UK corporation tax and foreign 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 all 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.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

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.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

## Forever Living Products (UK) Limited

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

#### 1. Accounting policies (continued)

##### 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 4.

##### 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. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Management have identified no critical accounting judgments and estimates during the review.

##### *Critical judgements in applying the Company's accounting policies*

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

#### 3. Analysis of turnover and profit on ordinary activities before taxation

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

An analysis of the Company's turnover is as follows:

	2015	2014
	£	£
Sale of goods	99,977,258	54,703,148
Delivery revenue	3,642,851	1,697,348
Event revenue	853,258	520,956
Literature revenue	1,954,099	1,135,743
Website revenue	-	115,164
VAT repayment	-	741,995
Other	61,772	79,236
	<u>106,489,238</u>	<u>58,993,590</u>



## Forever Living Products (UK) Limited

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

#### 4. Information regarding directors and employees

	2015	2014
	£	£
<b>Directors' emoluments</b>		
Emoluments	56,859	49,666
	<u>Number</u>	<u>Number</u>
<b>Average number of persons employed</b>		
Administrative	66	56
Manual	100	55
	<u>166</u>	<u>111</u>
		£
<b>Staff costs during the year (including directors)</b>		
Wages and salaries	4,072,134	2,748,122
Social security costs	256,686	203,737
Other pension costs	249,063	205,153
	<u>4,577,883</u>	<u>3,157,012</u>

#### 5. Operating profit

Operating profit is after charging:

	2015	2014
	£	£
Depreciation:		
Owned assets	69,624	58,978
Rentals under operating leases		
Other operating leases	373,861	514,410
Hire of plant and machinery	29,859	21,375
Auditor's remuneration		
Audit services – fees payable to the company's auditor for the audit of the company's annual financial statements	23,402	19,000
Non audit services – tax services	6,798	5,752
Foreign exchange loss/(gain)	568,745	(22,848)

#### 6. Interest receivable

	2015	2014
	£	£
Bank interest	<u>11,299</u>	<u>3,887</u>

## Forever Living Products (UK) Limited

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

#### 7. Tax on profit on ordinary activities

	2015 £	2014 £
United Kingdom corporation tax charge at 20.25% (2014 – 21.49%) based on the profit for the year	744,581	464,148
Adjustment in respect of previous periods	(323)	(26,866)
	<u>744,258</u>	<u>437,282</u>
Deferred taxation		
- Timing differences, origination and reversal	(13,191)	(11,660)
- Adjustment in respect of prior years	-	19,415
- Effect of changes in tax rate	2,781	810
	<u>733,848</u>	<u>445,847</u>

#### Factors affecting the tax charge for the year:

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2015 £	2014 £
<b>Profit on ordinary activities before tax</b>	<u>3,503,119</u>	<u>1,967,631</u>
Tax at 20.25% (2014 – 21.49%)	709,382	422,844
Expenses not deductible for tax purposes	22,008	29,632
Income not taxable for tax purposes	-	(49)
Adjustments to tax charge in respect of previous periods	(323)	(7,451)
Tax rate change	2,781	871
	<u>733,848</u>	<u>445,847</u>
<b>Total tax charge for period</b>	<u>733,848</u>	<u>445,847</u>

The Budget 2014 introduced a reduction in the main rate of corporation tax from 21% to 20% with effect from 1 April 2015. Further reductions in the future UK corporation tax rates from 20% to 19% and then 18% were substantively enacted in July 2015 and will take effect in April 2017 and April 2020 respectively. Deferred tax has been recognised at 18%. A reduction to 17% from April 2020 has been announced but was not substantively enacted at the balance sheet date.

## Forever Living Products (UK) Limited

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

#### 8. Tangible fixed assets

	Computers £	Fittings and office equipment £	Motor vehicles £	Assets under construction £	Total £
<b>Cost</b>					
At 1 January 2015	260,222	445,169	90,540	158,747	954,678
Additions	71,101	25,815	-	-	96,916
Disposals	(78,732)	(110,024)	(30,595)	-	(219,351)
At 31 December 2015	<u>252,591</u>	<u>360,960</u>	<u>59,945</u>	<u>158,747</u>	<u>832,243</u>
<b>Accumulated depreciation</b>					
At 1 January 2015	233,129	368,040	55,647	-	656,816
Charge for the year	25,259	33,346	11,019	-	69,624
Disposals	(78,732)	(110,024)	(30,595)	-	(219,351)
At 31 December 2015	<u>179,656</u>	<u>291,362</u>	<u>36,071</u>	<u>-</u>	<u>507,089</u>
<b>Net book value</b>					
At 31 December 2015	<u>72,935</u>	<u>69,598</u>	<u>23,874</u>	<u>158,747</u>	<u>325,154</u>
At 31 Decemeber 2014	<u>27,093</u>	<u>77,129</u>	<u>34,893</u>	<u>158,747</u>	<u>297,862</u>

#### 9. Stocks

	2015 £	2014 £
Goods for resale	<u>8,372,090</u>	<u>3,029,451</u>

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

#### 10. Debtors

<b>Due within one year</b>	2015 £	2014 £
Trade debtors	1,831,069	992,876
Amounts owed by related parties (note 14)	1,706,358	668,377
Deferred tax asset (note 15)	23,585	13,174
Prepayments and accrued income	1,343,899	572,723
	<u>4,904,911</u>	<u>2,247,150</u>

## Forever Living Products (UK) Limited

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

#### 11. Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	722,455	692,232
Amounts owed to related parties (note 14)	725,816	48,613
Other taxation and social security	2,383,248	1,729,485
Corporation tax	284,258	60,360
Accruals and deferred income	8,458,588	5,182,213
	<u>12,574,365</u>	<u>7,712,903</u>

#### 12. Provision for liabilities

	Dilapidation Provision £
At 1 January 2015	120,000
Charged to profit and loss account	120,000
	<u>240,000</u>
At 31 December 2015	<u>240,000</u>

#### 13. Financial commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2015		2014	
	Land and buildings £	Other £	Land and buildings £	Other £
<b>Company</b>				
- within one year	258,720	-	75,000	-
- between one and five years	65,555	-	324,275	-
	<u>324,275</u>	<u>-</u>	<u>399,275</u>	<u>-</u>

## Forever Living Products (UK) Limited

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

#### 14. 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	
	2015	2014	2015	2014
	£	£	£	£
Forever Living Products Algeria	-	-	-	(881)
Forever Living Products Angola	-	-	-	86,339
Forever Living Products Argentina	-	-	26,543	20,376
Forever Living Products Asia	-	-	-	56,261
Forever Living Products Australia	-	6,894	3,781	10,911
Forever Living Products Austria	-	-	-	2,963
Forever Living Products Azerbaijan	-	-	-	6,975
Forever Living Products Baltics	-	-	-	19,257
Forever Living Products Benelux	-	-	4,967	141,123
Forever Living Products Benin	-	-	-	13,460
Forever Living Products Bolivia	-	-	-	3,486
Forever Living Products Brazil	-	-	-	120,868
Forever Living Products Bulgaria	-	-	-	22,845
Forever Living Products Burkina Faso	-	-	-	(881)
Forever Living Products Cameroon	-	-	-	21,116
Forever Living Products Canada	-	-	-	18,736
Forever Living Products Caribbean	-	-	-	(881)
Forever Living Products Colombia	-	-	-	10,929
Forever Living Products Congo	-	-	-	28,446
Forever Living Products Croatia	-	-	-	(881)
Forever Living Products Cyprus	-	-	145	555
Forever Living Products Czech Republic	-	-	-	5,397
Forever Living Products Ecuador	-	-	-	41,088
Forever Living Products El Salvador	-	-	-	(881)
Forever Living Products France	-	-	-	385,606
Forever Living Products Gabon	-	-	-	27,888
Forever Living Products Germany	-	-	-	209,051
Forever Living Products Ghana	-	-	-	(209)
Forever Living Products Greece	-	-	563	58,467
Forever Living Products Hungary	-	-	-	183,695
Forever Living Products Iceland	-	-	33,248	35,044
Forever Living Products India	-	-	-	196,339
Forever Living Products International	3,075,646	1,849,508	10,638	1,561
Forever Living Products Iraq	-	-	-	1,550
Forever Living Products Ireland	-	-	75,128	214,580
Forever Living Products Israel	-	-	-	14,452
Forever Living Products Italy	-	-	-	215,530
Forever Living Products Ivory Coast	-	-	-	124,868
Forever Living Products Japan	-	-	-	268,432
Forever Living Products Kazakhstan	-	-	-	132,514
Forever Living Products Kenya	-	-	-	101,572
Forever Living Products Korea	-	-	-	3,923
Forever Living Products Kyrgyzstan	-	-	(435)	12,141

## Forever Living Products (UK) Limited

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

#### 14. Related Party Transactions (continued)

	Purchases		Sales	
	2015 £	2014 £	2015 £	2014 £
Forever Living Products Malaysia	-	-	-	181,484
Forever Living Products Malta	-	-	1,054	1,193
Forever Living Products Mauritius	-	-	-	(881)
Forever Living Products Mexico	-	-	-	96,196
Forever Living Products Mongolia	-	-	-	67,479
Forever Living Products Morocco	-	-	-	(6,167)
Forever Living Products New Zealand	-	-	-	(881)
Forever Living Products Nigeria	-	-	71	413,829
Forever Living Products Panama	-	-	-	3,359
Forever Living Products Paraguay	-	-	-	10,474
Forever Living Products Peru	-	-	-	1,894
Forever Living Products Philippines	-	-	-	37,099
Forever Living Products Poland	-	-	-	75,207
Forever Living Products Romania	-	-	-	59,815
Forever Living Products Russia	-	-	-	55,222
Forever Living Products Scandinavia	-	140	3,495	295,702
Forever Living Products Senegal	-	-	-	38,451
Forever Living Products Singapore	-	-	-	10,281
Forever Living Products Slovak Republic	-	-	-	22,873
Forever Living Products South Africa	-	-	-	254,396
Forever Living Products Spain	-	-	-	16,274
Forever Living Products Switzerland	-	-	-	76,201
Forever Living Products Taiwan	-	33,269	-	44,982
Forever Living Products Thailand	-	-	-	(3,083)
Forever Living Products Tunisia	-	-	-	(2,643)
Forever Living Products Turkey	-	-	194	184,761
Forever Living Products Uganda	-	-	-	14,277
Forever Living Products Ukraine	-	-	-	35,844
Forever Living Products United Arab Emirates	-	-	-	34,507
Forever Living Products Uruguay	-	-	-	(881)
Forever Living Products Venezuela	-	-	(8,452)	(3,441)
Forever Living Products Vietnam	-	-	-	3,905
Global Incentive Services	(649,695)	(197,574)	-	-

## Forever Living Products (UK) Limited

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

#### 14. 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	
	2015 £	2014 £	2015 £	2014 £
Forever Living Products Algeria	-	-	-	-
Forever Living Products Angola	86,339	86,339	-	-
Forever Living Products Argentina	-	-	-	-
Forever Living Products Asia	-	-	-	-
Forever Living Products Australia	-	-	-	-
Forever Living Products Austria	-	-	-	-
Forever Living Products Azerbaijan	-	1,081	-	-
Forever Living Products Baltics	-	-	-	-
Forever Living Products Benelux	-	-	-	-
Forever Living Products Benin	-	-	-	7,378
Forever Living Products Bolivia	3,486	3,486	-	-
Forever Living Products Brazil	71,342	71,342	-	-
Forever Living Products Bulgaria	-	-	-	-
Forever Living Products Burkina Faso	-	-	-	-
Forever Living Products Caribbean	-	-	-	-
Forever Living Products Columbia	-	-	-	-
Forever Living Products Congo	-	-	-	-
Forever Living Products Ecuador	-	-	-	-
Forever Living Products El Salvador	-	-	-	-
Forever Living Products France	-	-	-	-
Forever Living Products Gabon	-	27,888	-	-
Forever Living Products Ghana	-	-	-	-
Forever Living Products Greece	44	568	-	-
Forever Living Products Hungary	-	-	-	-
Forever Living Products Iceland	137,796	99,827	-	-
Forever Living Products India	-	-	-	-
Forever Living Products International	-	-	416,087	-
Forever Living Products Iraq	-	-	-	-
Forever Living Products Ireland	150	165	-	-
Forever Living Products Israel	-	5,637	-	-
Forever Living Products Italy	-	-	-	-
Forever Living Products Ivory Coast	-	-	-	-
Forever Living Products Japan	89,573	268,432	-	-
Forever Living Products Kazakhstan	-	-	-	-
Forever Living Products Kenya	-	-	-	-
Forever Living Products Kyrgyzstan	-	-	-	8,876
Forever Living Products Malta	589	-	-	-
Forever Living Products Mauritius	-	-	-	-
Forever Living Products Mexico	-	9,297	-	-
Forever Living Products Morocco	-	-	-	-
Forever Living Products New Zealand	-	-	-	-
Forever Living Products Nigeria	-	53,471	-	-
Forever Living Products Panama	-	4,240	-	-
Forever Living Products Paraguay	-	-	-	-

## Forever Living Products (UK) Limited

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

#### 14. Related party transactions (continued)

	Amounts due from related party		Amounts due to related party	
	2015 £	2014 £	2015 £	2014 £
Forever Living Products Peru	-	4,537	-	-
Forever Living Products Poland	-	-	-	-
Forever Living Products Romania	-	-	-	-
Forever Living Products Russia	-	20,177	-	-
Forever Living Products Scandinavia	1,920	-	-	-
Forever Living Products Senegal	-	949	-	-
Forever Living Products Slovak Republic	-	-	-	-
Forever Living Products South Africa	-	870	-	-
Forever Living Products Spain	-	-	-	-
Forever Living Products Switzerland	-	-	-	-
Forever Living Products Thailand	-	-	-	-
Forever Living Products Tunisia	-	-	-	-
Forever Living Products Turkey	194	-	-	-
Forever Living Products Uganda	-	-	-	-
Forever Living Products Ukraine	-	-	-	21,551
Forever Living Products United Arab Emirates	-	-	-	10,733
Forever Living Products Uruguay	-	-	-	-
Forever Living Products Venezuela	-	-	-	-
Forever Living Products Vietnam	-	3,935	-	-
	<u>391,433</u>	<u>662,241</u>	<u>416,087</u>	<u>48,538</u>

The company has the following amounts owed to Forever Living.com, L.L.C. a company controlled by Mr R G Maughan.

	2015 £	2014 £
Forever Living.com, L.L.C.	<u>-</u>	<u>75</u>



## Forever Living Products (UK) Limited

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

#### 14. Related party transactions (continued)

During the year the company purchased goods and services to the value of £1,004,553 (2014 - £862,977) from Aloe Vera of America, Inc. Amounts owed by Aloe Vera of America, Inc of £1,314,925 (2014 -£nil) all relate to trading balances. Amounts owed to Aloe Vera of America, Inc of £100,041 (2014 -£nil) all relate to trading balances.

During the year the company purchased goods and services to the value of £nil (2014 - £179,672) from ForeverLiving.com, L.L.C. During the year the company charged ForeverLiving.com, Inc goods and services to the value of £nil (2014 - £285,487).

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 £33,527,068 (2014 - £13,466,781). During the year the company charged ForeverDirect BV goods and services to the value of £nil (2014 - £104,749). Amounts owed by Forever Direct BV of £nil(2014 -£6,136) all relate to trading balances. Amounts owed to Forever Direct BV of £209,688 (2014 - £nil) all relate to trading balances.

The company occupies premises owned by UK Investments LLC., a company controlled by Mr R G Maughan, for which £100,003 (2014 - £99,997) rent was charged in the year.

Forever Living Products Iceland was also charged £21,600 (2014 - £21,600) for administration services performed by the company on their behalf.

Business owners can have a deduction made from their monthly bonuses and paid over to Forever Giving, a charity controlled by Forever Living Products International. The amount held on the Balance Sheet of Forever Living Products (UK) Limited at 31 December 2015 under Creditors: amounts falling due within one year is £88 (2014 - £31).

#### 15. Deferred taxation

	2015 £	2014 £
Balance at 1 January	(13,174)	(21,740)
(Credit) to profit and loss account	(10,411)	(10,849)
Adjustment in respect of prior periods	-	19,415
	<u>(23,585)</u>	<u>(13,174)</u>

The amounts provided in the financial statements are as follows:

	2015 £	2014 £
Fixed asset timing differences	25,375	15,808
Short term timing differences	(48,960)	(28,982)
	<u>(23,585)</u>	<u>(13,174)</u>

## Forever Living Products (UK) Limited

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

#### 16. Called up share capital

	2015	2014
	£	£
Allotted and fully paid 10,000 Ordinary shares of £1 each	10,000	10,000

The profit and loss account includes all current and prior period retained profits and losses.

#### 17. Cash flow statement

##### *Reconciliation of operating profit to cash generated by operations:*

	2015	2014
	£	£
Operating profit	3,491,820	1,963,774
Adjustment for:		
Depreciation and amortisation	69,624	58,978
(Loss)/profit on sale of tangible fixed assets	(667)	157
Operating cash flow before movement in working capital	3,560,777	2,022,909
Increase in stocks	(5,342,639)	(1,056,964)
Increase in debtors	(2,647,350)	(392,750)
Increase in creditors	4,757,564	2,728,176
Exchange differences	568,745	(22,848)
Taxation paid	(520,360)	(296,290)
<b>Cash generated by operations</b>	<b>376,737</b>	<b>2,982,233</b>

#### 18. Explanation of transition to FRS 102

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The last financial statements under previous UK GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 was therefore 1 January 2014.

##### **Changes for FRS 102 adoption**

There have been no changes following the adoption of FRS 102 from previous GAAP.