

**G.R. LANE HEALTH PRODUCTS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2019**

**G.R. LANE HEALTH PRODUCTS LIMITED**

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## **G.R. LANE HEALTH PRODUCTS LIMITED**

### **Company Information**

<b>Directors</b>	J M Groves P Whatley D Cole J Groves M Horan A Kelly P Henly H Lynn T E Howard
<b>Registered office</b>	Sisson Road Gloucester GL2 0GR
<b>Solicitors</b>	Harrison Clark Rickerbys Limited Ellenborough House Wellington Street Cheltenham GL50 1YD
<b>Bankers</b>	Svenska Handelsbanken AB 1145 Regent Court The Square Gloucester Business Park Gloucester GL3 4AD
<b>Auditors</b>	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

## **G.R. LANE HEALTH PRODUCTS LIMITED**

### **Strategic Report for the Year Ended 31 July 2019**

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

#### **Principal activity**

The principal activity of the company is that of the manufacture and distribution of Over the Counter pharmaceutical products, nutritional supplements and cosmetics.

#### **Fair review of the business**

These financial statements do not include the results of the company's trading subsidiaries, Jakemans (Confectioners) Limited and Lanes Brands Incorporated.

Market conditions and the economic environment continue to be challenging and the directors have been reacting accordingly to ensure that the financial resources available to the company are sufficient to support the company's business strategy. The results for the year, which are set out in the profit and loss account and balance sheet, show pre-tax profit for the year of £2,542,357 (2018 - £2,589,530) and net assets of £9,743,897 (2018 - £10,657,446).

#### **Key performance indicators**

Given the nature of the business, the Directors are of the opinion that key performance indicators are a valuable tool for driving continuous improvement across all aspects of the business. The Company uses a number of key performance indicators to monitor and improve the performance of the business. Indicators are reviewed and altered to meet changes both in the internal and external environments and include measures relating to Financial Performance, Health and Safety, Employee Satisfaction, Customer Satisfaction, Quality and, Environmental.

The Company's key financial indicators during the year included the measurement of turnover, gross profit margin, EBITDA and net cash generation which are presented in the Profit and Loss Account and Balance sheet. Indicators are reviewed on a daily, weekly and monthly basis, with a tiered escalation system in place for simplified communications and to ensure changes in internal and external environments can be reacted to in a timely manner.

#### **Principal risks and uncertainties**

The management of the company and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to the general economic climate and competition from other manufacturers of complementary products.

Brexit continues to be one of the most significant economic events for the UK, with its final effects still unknown. The directors continuously assess the possible risks using a framework that considers both probability and impact on the business. As the final form of the exit from the European Union becomes more certain, appropriate actions will be taken by the company.

#### **Financial instruments**

Financial risk management is an integral part of the way the company is managed. The overall aim of the company's financial risk policies is to minimise potential adverse effects on financial performance and net assets.

The company is exposed to the usual credit and cashflow risk associated with selling on credit and manages this through credit control procedures and maintains credit insurance cover on major customers.

Short term bank deposits are only placed with reputable blue chip banks.

The company's policy on liquidity risk is to ensure that sufficient funds for ongoing operations are available.

## **G.R. LANE HEALTH PRODUCTS LIMITED**

### **Strategic Report for the Year Ended 31 July 2019**

#### **Going concern and liquidity risk**

In accordance with Financial Reporting Council's 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2006' the directors of all companies are now required to provide disclosures regarding the adoption of the going concern basis of accounting.

The company has sufficient financial resources available and is currently trading profitably and generating cash. The directors have prepared forecast for the next 12 months that indicate that this trend will continue. The directors believe that the company has sufficient resources to continue in operational existence for the foreseeable future and have continued to adopt the going concern basis in preparing the financial statements.

#### **Future developments**

The external commercial environment is expected to remain challenging during 2019/20, and the directors are positive that they are ready to react to any changes in trading conditions in order to maintain and improve their performance in the future.

Approved by the Board on 28 February 2020 and signed on its behalf by:

.....  
J M Groves  
Director

## **G.R. LANE HEALTH PRODUCTS LIMITED**

### **Directors' Report for the Year Ended 31 July 2019**

The directors present their report and the financial statements for the year ended 31 July 2019.

#### **Directors of the company**

The directors who held office during the year were as follows:

J M Groves

P Whatley

D Cole

J Groves

M Horan

A Kelly

P Henly

H Lynn

T E Howard

#### **Disclosure of information to the auditors**

Each director has taken the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

#### **Reappointment of auditors**

Hazlewoods LLP have expressed their willingness to continue in office.

Approved by the Board on 28 February 2020 and signed on its behalf by:

.....  
J M Groves  
Director

## **G.R. LANE HEALTH PRODUCTS LIMITED**

### **Statement of Directors' Responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

## **G.R. LANE HEALTH PRODUCTS LIMITED**

### **Independent Auditor's Report**

#### **Opinion**

We have audited the financial statements of G.R. Lane Health Products Limited (the 'company') for the year ended 31 July 2019, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and 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 July 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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.

#### **Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

**Independent Auditor's Report**

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

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

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

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

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors' determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the financial statements**

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

**Use of this report**

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

.....  
Jon Cartwright (Senior Statutory Auditor)  
For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House  
Bayshill Road  
Cheltenham  
GL50 3AT

28 February 2020

**G.R. LANE HEALTH PRODUCTS LIMITED****Profit and Loss Account  
for the Year Ended 31 July 2019**

	<b>Note</b>	<b>2019 £</b>	<b>2018 £</b>
Turnover	<a href="#">3</a>	21,450,958	22,548,235
Cost of sales		<u>(8,982,455)</u>	<u>(8,679,921)</u>
Gross profit		12,468,503	13,868,314
Distribution costs		(338,975)	(329,485)
Administrative expenses		(12,948,380)	(14,212,201)
Other operating income		<u>1,167,980</u>	<u>959,944</u>
Operating profit	<a href="#">4</a>	<u>349,128</u>	<u>286,572</u>
Income from shares in group undertakings		2,700,000	2,900,000
Other interest receivable and similar income		734	-
Interest payable and similar charges	<a href="#">5</a>	<u>(507,505)</u>	<u>(597,042)</u>
		<u>2,193,229</u>	<u>2,302,958</u>
Profit before tax		2,542,357	2,589,530
Taxation	<a href="#">8</a>	<u>(34,756)</u>	<u>22,153</u>
Profit for the financial year		<u><u>2,507,601</u></u>	<u><u>2,611,683</u></u>

The above results were derived from continuing operations.

The notes on pages [12](#) to [29](#) form an integral part of these financial statements.

**G.R. LANE HEALTH PRODUCTS LIMITED****Statement of Comprehensive Income  
for the Year Ended 31 July 2019**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Profit for the year	2,507,601	2,611,683
Unrealised surplus on revaluation of properties	(113,747)	(52,063)
Remeasurement of net defined benefit pension liability	<u>(1,267,403)</u>	<u>1,733,870</u>
	<u>(1,381,150)</u>	<u>1,681,807</u>
<b>Total recognised gains and losses relating to the year</b>	<b><u>1,126,451</u></b>	<b><u>4,293,490</u></b>

The notes on pages [12](#) to [29](#) form an integral part of these financial statements.

**G.R. LANE HEALTH PRODUCTS LIMITED****(Registration number: 00843899 )****Balance Sheet****as at 31 July 2019**

	<b>Note</b>	<b>2019 £</b>	<b>2018 £</b>
<b>Fixed assets</b>			
Intangible assets	<a href="#">9</a>	9,504,048	10,623,809
Tangible assets	<a href="#">10</a>	5,361,572	5,645,846
Investments	<a href="#">11</a>	5,491,416	5,491,416
		<u>20,357,036</u>	<u>21,761,071</u>
<b>Current assets</b>			
Stocks	<a href="#">12</a>	4,330,573	3,642,112
Debtors	<a href="#">13</a>	4,254,859	5,049,798
Cash at bank and in hand		<u>1,331,242</u>	<u>1,095,125</u>
		9,916,674	9,787,035
Creditors: amounts falling due within one year	<a href="#">14</a>	<u>(10,475,353)</u>	<u>(9,904,362)</u>
<b>Net current liabilities</b>		<u>(558,679)</u>	<u>(117,327)</u>
<b>Total assets less current liabilities</b>		19,798,357	21,643,744
Creditors: amounts falling due after more than one year	<a href="#">14</a>	(5,925,740)	(7,808,484)
Provisions for liabilities	<a href="#">8</a>	<u>(431,070)</u>	<u>(397,314)</u>
Net assets excluding pension liability		13,441,547	13,437,946
Net pension liability	<a href="#">18</a>	<u>(3,697,650)</u>	<u>(2,780,500)</u>
<b>Net assets</b>		<u>9,743,897</u>	<u>10,657,446</u>
<b>Capital and reserves</b>			
Called up share capital	<a href="#">16</a>	10,002	10,002
Share premium reserve		2,240,000	2,240,000
Revaluation reserve		2,001,017	2,022,765
Pension scheme reserve		(3,697,650)	(2,780,500)
Retained earnings		<u>9,190,528</u>	<u>9,165,179</u>
<b>Total equity</b>		<u>9,743,897</u>	<u>10,657,446</u>

Approved and authorised by the Board on 28 February 2020 and signed on its behalf by:

.....

J M Groves  
DirectorThe notes on pages [12](#) to [29](#) form an integral part of these financial statements.

**G.R. LANE HEALTH PRODUCTS LIMITED**
**Statement of Changes in Equity  
for the Year Ended 31 July 2019**

	<b>Share capital £</b>	<b>Share premium £</b>	<b>Revaluation reserve £</b>	<b>Pension scheme reserve £</b>	<b>Retained earnings £</b>	<b>Total £</b>
At 1 August 2017	10,002	2,240,000	2,044,513	(4,786,610)	9,139,051	8,646,956
Profit for the year	-	-	-	-	2,611,683	2,611,683
Other comprehensive income	-	-	-	-	1,681,807	1,681,807
Dividends	-	-	-	-	(2,283,000)	(2,283,000)
Revaluation reserve - transfer to realised profit	-	-	(21,748)	-	21,748	-
Transfer from pension scheme reserve	-	-	-	2,006,110	(2,006,110)	-
At 31 July 2018	<u>10,002</u>	<u>2,240,000</u>	<u>2,022,765</u>	<u>(2,780,500)</u>	<u>9,165,179</u>	<u>10,657,446</u>

	<b>Share capital £</b>	<b>Share premium £</b>	<b>Revaluation reserve £</b>	<b>Pension scheme reserve £</b>	<b>Retained earnings £</b>	<b>Total £</b>
At 1 August 2018	10,002	2,240,000	2,022,765	(2,780,500)	9,165,179	10,657,446
Profit for the year	-	-	-	-	2,507,601	2,507,601
Other comprehensive income	-	-	-	-	(1,381,150)	(1,381,150)
Dividends	-	-	-	-	(2,040,000)	(2,040,000)
Revaluation Reserve - transfer of realised profit	-	-	(21,748)	-	21,748	-
Transfer from pension scheme reserve	-	-	-	(917,150)	917,150	-
At 31 July 2019	<u>10,002</u>	<u>2,240,000</u>	<u>2,001,017</u>	<u>(3,697,650)</u>	<u>9,190,528</u>	<u>9,743,897</u>

The notes on pages [12](#) to [29](#) form an integral part of these financial statements.

## **G.R. LANE HEALTH PRODUCTS LIMITED**

### **Notes to the Financial Statements for the Year Ended 31 July 2019**

#### **1 General information**

The company is a private company limited by shares incorporated and domiciled in England and Wales.

The address of its registered office is:

Sisson Road  
Gloucester  
GL2 0GR

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The company is exempt from preparing a cash flow statement as 90% or more of the voting rights are held within the group.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

##### **Name of parent of group**

These financial statements are consolidated in the financial statements of G.R. Lane Holdings Limited.

The financial statements of G.R. Lane Holdings Limited may be obtained from the company's registered office.

##### **Exemption from preparing group accounts**

The company has taken advantage of the exemption in section 398 of the Companies Act 2006 from the requirement to prepare consolidated financial statements, on the grounds that it is a small sized group.

##### **Going concern**

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

##### ***Judgements and estimation uncertainty***

No significant judgements have been made by management in preparing these financial statements.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

## **G.R. LANE HEALTH PRODUCTS LIMITED**

### **Notes to the Financial Statements for the Year Ended 31 July 2019**

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The company recognises revenue when: a) the amount of revenue can be reliably measured; b) it is probable that future economic benefits will flow to the entity; and c) specific criteria have been met for each of the company's activities.

#### **Foreign currency transactions and balances**

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historic cost in a foreign currency are not translated.

#### **Tax**

The corporation tax expense for the period comprises current and deferred tax. Corporation tax is recognised in the profit and loss account, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

#### **Tangible assets**

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

The company has adopted a policy of revaluation in respect of its freehold land and buildings.

#### **Depreciation**

Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

##### **Asset class**

Land and buildings freehold

Plant and machinery

Fixtures, fittings and equipment

##### **Depreciation method and rate**

Land - nil, Buildings - 2% straight line basis

10% straight line basis

10-20% straight line basis

## **G.R. LANE HEALTH PRODUCTS LIMITED**

### **Notes to the Financial Statements for the Year Ended 31 July 2019**

#### **Intangible assets**

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Licenses, knowhow and trademarks acquired in a business combination are recognised at fair value at the acquisition date.

Licenses, knowhow and trademarks have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

#### **Amortisation**

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

<b>Asset class</b>	<b>Amortisation method and rate</b>
Goodwill	5-10% straight line
Licences, knowhow and trade marks	5-10% straight line

#### **Research and development**

Research expenditure is written off to the profit and loss account in the year in which it is incurred.

Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

#### **Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All debtors are repayable within one year and are hence included at the undiscounted amount of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using a standard cost method.

The cost of finished goods comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

## **G.R. LANE HEALTH PRODUCTS LIMITED**

### **Notes to the Financial Statements for the Year Ended 31 July 2019**

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **Dividends**

Dividend distributions to the company's shareholders are recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

#### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

**Notes to the Financial Statements  
for the Year Ended 31 July 2019**

**Defined benefit pension obligation**

The pension costs are assessed using the projected unit credit method. The cost of providing pensions is charged to the profit and loss account so as to spread the regular costs over the service lives of the employees. The pension obligation is measured at the present value of the estimated future cash flows using interest rates on government securities that have terms to maturity approximating the terms of the related liabilities. The assumptions of life expectancy, salary increase and asset valuations reflect historical experience and current trends.

**Financial instruments**

***Classification***

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

***Recognition and measurement***

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. 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 balance sheet 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.

***Impairment***

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

**Non-financial assets**

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

## G.R. LANE HEALTH PRODUCTS LIMITED

### Notes to the Financial Statements for the Year Ended 31 July 2019

#### Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

### 3 Turnover

The analysis of the company's revenue for the year by market is as follows:

	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
UK	19,188,018	19,897,771
Europe	565,945	827,137
Rest of world	1,696,995	1,823,327
	<u>21,450,958</u>	<u>22,548,235</u>

The company's revenue derives entirely from the sale of goods.

### 4 Operating profit

Arrived at after charging:

	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
Operating lease expense - other	153,264	197,861
Auditor's remuneration - the audit of the company's annual accounts	22,900	22,400
Foreign exchange (gains)/losses	22,379	(41,656)
Depreciation expense	514,222	508,126
Amortisation expense	<u>1,119,761</u>	<u>1,149,654</u>

### 5 Interest payable and similar expenses

	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
Interest on bank overdrafts and borrowings	503,501	591,806
Interest on obligations under finance leases and hire purchase contracts	<u>4,004</u>	<u>5,236</u>
	<u>507,505</u>	<u>597,042</u>

**Notes to the Financial Statements  
for the Year Ended 31 July 2019****6 Staff costs**

The aggregate payroll costs (including directors' remuneration) were as follows:

	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
Wages and salaries	5,459,307	5,695,221
Social security costs	560,967	537,767
Pension costs	493,604	440,653
	<u>6,513,878</u>	<u>6,673,641</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	<b>2019</b> <b>No.</b>	<b>2018</b> <b>No.</b>
Administration and support	112	108
Production	63	66
	<u>175</u>	<u>174</u>

**7 Directors' remuneration**

The directors' remuneration for the year was as follows:

	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
Remuneration	745,214	860,915
Contributions paid to money purchase schemes	116,365	139,712
	<u>861,579</u>	<u>1,000,627</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	<b>2019</b> <b>No.</b>	<b>2018</b> <b>No.</b>
Accruing benefits under money purchase pension scheme	<u>5</u>	<u>5</u>

In respect of the highest paid director:

	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
Remuneration	<u>165,639</u>	<u>206,090</u>

**Notes to the Financial Statements  
for the Year Ended 31 July 2019**

**8 Corporation tax**

Tax charged/(credited) in the profit and loss account

	<b>2019 £</b>	<b>2018 £</b>
<b>Current taxation</b>		
UK corporation tax adjustment to prior periods	1,000	-
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	25,232	(22,153)
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	8,524	-
Total deferred taxation	<u>33,756</u>	<u>(22,153)</u>
Tax expense/(credit) in the profit and loss account	<u><u>34,756</u></u>	<u><u>(22,153)</u></u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2018 - lower than the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	<b>2019 £</b>	<b>2018 £</b>
Profit before tax	<u>2,542,357</u>	<u>2,589,530</u>
Corporation tax at standard rate	483,048	492,011
Decrease from the effect on non-taxable income	(513,000)	(551,000)
Effect of tax losses	98,457	-
Deferred tax credit relating to changes in tax rates or laws	44,887	16,961
Decrease in tax from adjustment for prior periods	9,524	-
Tax decrease from credits on defined benefit pension scheme	(88,160)	(62,320)
Tax effects of R&D allowances	<u>-</u>	<u>82,195</u>
Total tax charge/(credit)	<u><u>34,756</u></u>	<u><u>(22,153)</u></u>

The decrease in tax from adjustment for prior period arises on the retrospective R&D claims.

**G.R. LANE HEALTH PRODUCTS LIMITED****Notes to the Financial Statements  
for the Year Ended 31 July 2019****Analysis of deferred tax**

<b>2019</b>	<b>Liability £</b>
Difference between accumulated depreciation and amortisation and capital allowances	50,877
Deferred tax on revaluation of property	380,193
	<u>431,070</u>

<b>2018</b>	<b>Liability £</b>
Difference between accumulated depreciation and amortisation and capital allowances	53,444
Deferred tax on revaluation of property	343,870
	<u>397,314</u>

**9 Intangible assets**

	<b>Goodwill £</b>	<b>Licences, knowhow and trade marks £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 August 2018 & 31 July 2019	1,404,439	14,978,655	16,383,094
<b>Amortisation</b>			
At 1 August 2018	1,158,608	4,600,677	5,759,285
Amortisation charge	<u>50,000</u>	<u>1,069,761</u>	<u>1,119,761</u>
At 31 July 2019	<u>1,208,608</u>	<u>5,670,438</u>	<u>6,879,046</u>
<b>Carrying amount</b>			
At 31 July 2019	<u>195,831</u>	<u>9,308,217</u>	<u>9,504,048</u>
At 31 July 2018	<u>245,831</u>	<u>10,377,978</u>	<u>10,623,809</u>

**G.R. LANE HEALTH PRODUCTS LIMITED****Notes to the Financial Statements  
for the Year Ended 31 July 2019****10 Tangible assets**

	<b>Freehold land and buildings £</b>	<b>Plant and machinery £</b>	<b>Fixtures and fittings £</b>	<b>Total £</b>
<b>Cost or valuation</b>				
At 1 August 2018	4,000,000	4,955,645	1,108,528	10,064,173
Additions	-	236,146	52,895	289,041
Disposals	-	(91,961)	-	(91,961)
At 31 July 2019	<u>4,000,000</u>	<u>5,099,830</u>	<u>1,161,423</u>	<u>10,261,253</u>
<b>Depreciation</b>				
At 1 August 2018	133,334	3,635,434	649,559	4,418,327
Charge for the year	66,667	284,561	162,994	514,222
Eliminated on disposal	-	(32,868)	-	(32,868)
At 31 July 2019	<u>200,001</u>	<u>3,887,127</u>	<u>812,553</u>	<u>4,899,681</u>
<b>Carrying amount</b>				
At 31 July 2019	<u>3,799,999</u>	<u>1,212,703</u>	<u>348,870</u>	<u>5,361,572</u>
At 31 July 2018	<u>3,866,666</u>	<u>1,320,211</u>	<u>458,969</u>	<u>5,645,846</u>

**Revaluations**

The freehold land and buildings class of fixed assets was revalued on 31 July 2016 by Ash & Co. Chartered Surveyors who are external to the company. The basis of this valuation was market value. This class of assets has a current value of £3,799,999 (2018 - £3,866,666) and a carrying amount at historical cost of £2,507,547 (2018 - £2,552,466). The depreciation on this historical cost is £843,322 (2018 - £798,403).

## G.R. LANE HEALTH PRODUCTS LIMITED

### Notes to the Financial Statements for the Year Ended 31 July 2019

#### 11 Investments

	2019 £	2018 £
Investments in subsidiaries	5,491,416	5,491,416

#### Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2019	2018
Subsidiary undertakings				
Jakemans (Confectioners) Limited	England	Ordinary	100%	100%
Lanes Brands Incorporated		Ordinary	100%	100%
	U.S.A.			
Supersun Limited	England	Ordinary	100%	100%
Laneshealth Limited		Ordinary	100%	100%
	England			
Thos. Symington Limited	England	Ordinary	100%	100%
Sarakan Limited		Ordinary	100%	100%
	England			

The principal activity of Jakemans (Confectioners) Limited is manufacture and retail of confectionery

The principal activity of Lanes Brands Incorporated is retail of confectionery

The principal activity of Supersun Limited is dormant

The principal activity of Laneshealth Limited is dormant

The principal activity of Thos. Symington Limited is dormant

The principal activity of Sarakan Limited is dormant

The profit for the financial period of Jakemans (Confectioners) Limited was £2,678,159 and the aggregate amount of capital and reserves at the end of the period was £5,190,532.

The loss for the financial period of Lanes Brands Incorporated was £193,036 and the aggregate amount of capital and reserves at the end of the period was £(2,695,689).

The profit for the financial period of Supersun Limited was £- and the aggregate amount of capital and reserves at the end of the period was £1.

The profit for the financial period of Laneshealth Limited was £- and the aggregate amount of capital and reserves at the end of the period was £1.

The profit for the financial period of Thos. Symington Limited was £- and the aggregate amount of capital and reserves at the end of the period was £1.

The profit for the financial period of Sarakan Limited was £- and the aggregate amount of capital and reserves at the end of the period was £1.

**G.R. LANE HEALTH PRODUCTS LIMITED****Notes to the Financial Statements  
for the Year Ended 31 July 2019****12 Stocks**

	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
Raw materials	1,968,844	2,178,888
Finished goods	<u>2,361,729</u>	<u>1,463,224</u>
	<u><u>4,330,573</u></u>	<u><u>3,642,112</u></u>

**13 Debtors**

	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
Trade debtors	3,550,727	3,375,919
Amounts owed by group undertakings	222,000	911,079
Other debtors	30,868	376,413
Prepayments and accrued income	451,264	357,887
Corporation tax asset	<u>-</u>	<u>28,500</u>
	<u><u>4,254,859</u></u>	<u><u>5,049,798</u></u>

**14 Creditors**

	<b>Note</b>	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
<b>Due within one year</b>			
Loans and borrowings	<a href="#">15</a>	2,348,868	2,048,335
Trade creditors		842,422	1,042,074
Amounts owed to group undertakings		5,842,913	5,610,502
Social security and other taxes		675,810	451,193
Other creditors		21	220
Accruals and deferred income		<u>765,319</u>	<u>752,038</u>
		<u><u>10,475,353</u></u>	<u><u>9,904,362</u></u>
<b>Due after one year</b>			
Loans and borrowings	<a href="#">15</a>	<u><u>5,925,740</u></u>	<u><u>7,808,484</u></u>

**G.R. LANE HEALTH PRODUCTS LIMITED****Notes to the Financial Statements  
for the Year Ended 31 July 2019****15 Loans and borrowings**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Current loans and borrowings</b>		
Bank borrowings	1,812,899	1,713,063
Bank overdrafts	466,024	266,699
Finance lease liabilities	69,945	68,573
	<u>2,348,868</u>	<u>2,048,335</u>
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Non-current loans and borrowings</b>		
Bank borrowings	5,798,447	7,611,345
Finance lease liabilities	127,293	197,139
	<u>5,925,740</u>	<u>7,808,484</u>

**Bank borrowings**

Bank loan 1 is denominated in £ Sterling with an interest rate of 2.2%, and the final instalment is due on 18th January 2022. The carrying amount at year end is £130,748 (2018 - £179,761).

Bank loan 2 is denominated in £ Sterling with an interest rate of 5.66%, and the final instalment is due on 22nd December 2024. The carrying amount at year end is £2,103,329 (2018 - £2,419,939).

Bank loan 3 is denominated in £ Sterling with an interest rate of 7.06%, and the final instalment is due on 12th December 2022. The carrying amount at year end is £5,377,268 (2018 - £6,724,608).

The loans are secured by a debenture over the assets and undertakings of G.R. Lane Health Products Limited, G.R. Lane Holdings Limited and Jakemans (Confectioners) Limited, a first legal mortgage over the freehold premises and an unlimited joint and several guarantee from guarantors.

**16 Share capital****Allotted, called up and fully paid shares**

	<b>2019</b>		<b>2018</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary shares of £1 each	10,002	10,002	10,002	10,002

**17 Dividends**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Dividends paid	<u>2,040,000</u>	<u>2,283,000</u>

## G.R. LANE HEALTH PRODUCTS LIMITED

### Notes to the Financial Statements for the Year Ended 31 July 2019

#### 18 Pension and other schemes

##### Defined benefit pension schemes

##### G R Lane Health Products Limited Pension Scheme

The company operates a pension scheme providing defined benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company, being invested with investment managers. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The pension cost and assets are assessed by a firm of independent consulting actuaries on the basis of triennial valuations using the projected unit method.

The date of the most recent comprehensive actuarial valuation was 31 July 2017. The actuary concluded that the resources of the scheme were likely, in the normal course of events, to meet 82% of the liabilities of the scheme as they fell due. This valuation and the calculation of scheme liabilities for FRS 102 reporting purposes in these financial statements reflect the decision to close the scheme to future accrual of benefits on 1 August 2012.

The total cost relating to defined benefit schemes for the year recognised in profit or loss as an expense was £130,000 (2018 - £320,000).

##### ***Reconciliation of scheme assets and liabilities to assets and liabilities recognised***

The amounts recognised in the statement of financial position are as follows:

	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
Fair value of scheme assets	13,525,000	12,539,000
Present value of defined benefit obligation	<u>(17,410,000)</u>	<u>(15,504,000)</u>
	(3,885,000)	(2,965,000)
Related deferred tax asset	<u>738,150</u>	<u>504,050</u>
Defined benefit pension scheme deficit	<u><u>(3,146,850)</u></u>	<u><u>(2,460,950)</u></u>

##### ***Defined benefit obligation***

Changes in the defined benefit obligation are as follows:

	<b>2019</b> <b>£</b>
Present value at start of year	15,504,000
Interest cost	425,000
Benefits paid	(437,000)
Experience gains (losses) on defined benefit obligations	(4,000)
Change in financial assumptions	<u>1,922,000</u>
Present value at end of year	<u><u>17,410,000</u></u>

**G.R. LANE HEALTH PRODUCTS LIMITED****Notes to the Financial Statements  
for the Year Ended 31 July 2019*****Fair value of scheme assets***

Changes in the fair value of scheme assets are as follows:

	<b>2019</b> <b>£</b>
Fair value at start of year	12,539,000
Interest income	350,000
Return on plan assets, excluding amounts included in interest income/(expense)	523,000
Employer contributions	605,000
Benefits paid	(437,000)
Administration costs	(55,000)
	<hr/>
Fair value at end of year	<u>13,525,000</u>

***Analysis of assets***

The major categories of scheme assets are as follows:

	<b>2019</b> <b>%</b>	<b>2018</b> <b>%</b>
Cash and cash equivalents	8	4
Equity instruments	59	50
Debt instruments	28	42
Property	5	4
	<hr/>	<hr/>
	<u>100</u>	<u>100</u>

***Return on scheme assets***

	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
Return on scheme assets	<u>873,000</u>	<u>670,000</u>

The pension scheme has not invested in any of the company's own financial instruments or in properties or other assets used by the company.

***Principal actuarial assumptions***

The principal actuarial assumptions at the statement of financial position date are as follows:

	<b>2019</b> <b>%</b>	<b>2018</b> <b>%</b>
Discount rate	2.10	2.80
Future pension increases	3.40	3.30
Inflation	<u>2.50</u>	<u>2.40</u>

## G.R. LANE HEALTH PRODUCTS LIMITED

### Notes to the Financial Statements for the Year Ended 31 July 2019

#### G R Lane Health Products Limited Executive Pension Scheme

The company operates a defined contribution scheme for certain executive staff members. The assets of the scheme are held separately from those of the company.

However, the company has guaranteed that some members of this defined contribution scheme will receive the same benefits, which they would have had, had they been members of the defined benefits scheme.

Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company.

The total cost relating to defined benefit schemes for the year recognised in profit or loss as an expense was £76,000 (2018 - £75,000).

#### ***Reconciliation of scheme assets and liabilities to assets and liabilities recognised***

The amounts recognised in the statement of financial position are as follows:

	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
Fair value of scheme assets	4,174,000	4,117,000
Present value of defined benefit obligation	<u>(4,854,000)</u>	<u>(4,502,000)</u>
	(680,000)	(385,000)
Related deferred tax asset	<u>129,200</u>	<u>65,450</u>
Defined benefit pension scheme deficit	<u><u>(550,800)</u></u>	<u><u>(319,550)</u></u>

#### ***Defined benefit obligation***

Changes in the defined benefit obligation are as follows:

	<b>2019</b> <b>£</b>
Present value at start of year	4,502,000
Current service cost	51,000
Interest cost	120,000
Benefits paid	(129,000)
Experience gains (losses) on defined benefit obligations	40,000
Change in financial assumptions	<u>270,000</u>
Present value at end of year	<u><u>4,854,000</u></u>

**G.R. LANE HEALTH PRODUCTS LIMITED****Notes to the Financial Statements  
for the Year Ended 31 July 2019*****Fair value of scheme assets***

Changes in the fair value of scheme assets are as follows:

	<b>2019</b> <b>£</b>
Fair value at start of year	4,117,000
Interest income	110,000
Return on plan assets, excluding amounts included in interest income/(expense)	26,000
Employer contributions	65,000
Benefits paid	(129,000)
Administration costs	(15,000)
	<hr/>
Fair value at end of year	<u><u>4,174,000</u></u>

***Analysis of assets***

The major categories of scheme assets are as follows:

	<b>2019</b> <b>%</b>	<b>2018</b> <b>%</b>
Cash and cash equivalents	5	9
Equity instruments	58	62
Debt instruments	37	29
	<hr/>	<hr/>
	<u>100</u>	<u>100</u>

***Return on scheme assets***

	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
Return on scheme assets	<u>136,000</u>	<u>245,000</u>

The pension scheme has not invested in any of the company's own financial instruments or in properties or other assets used by the company.

***Principal actuarial assumptions***

The principal actuarial assumptions at the statement of financial position date are as follows:

	<b>2019</b> <b>%</b>	<b>2018</b> <b>%</b>
Discount rate	1.50	2.70
Future pension increases	3.50	3.40
Inflation	3.50	3.40
	<hr/>	<hr/>

## **G.R. LANE HEALTH PRODUCTS LIMITED**

### **Notes to the Financial Statements for the Year Ended 31 July 2019**

#### **19 Obligations under leases and finance leases**

##### **Finance leases**

The total of future minimum lease payments is as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Not later than one year	98,329	68,573
Later than one year and not later than five years	59,472	197,139
	<u>157,801</u>	<u>265,712</u>

##### **Operating leases**

The total of future minimum lease payments is as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Not later than one year	69,945	108,368
Later than one year and not later than five years	127,293	106,132
	<u>197,238</u>	<u>214,500</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £153,264 (2018 - £197,861).

#### **20 Related party transactions**

##### **Summary of transactions with key management**

Key management personnel are considered to be the directors of the company and key management personnel remuneration is disclosed in note 7 to the financial statements.

##### **Related parties**

The company has taken advantage of the exemption from disclosing transactions with other members of the group.

During the year purchases of £2,725 (2018 - £3,270) were made from British Herbal Medicine Association Limited, a company in which J.Groves is a director. As at 31 July 2019, the balance outstanding was £nil (2018 - £nil).

During the year purchases of £35,750 (2018 - £nil) were made from Proprietary Association of Great Britain, a company in which D.Cole is a director. As at 31 July 2019, the balance outstanding was £nil (2018 - £nil).

#### **21 Parent and ultimate parent undertaking**

The company is controlled by G.R. Lane Holdings Limited, the ultimate parent undertaking.

G. R. Lane Health Products Limited is a wholly owned subsidiary of G.R. Lane Holdings Limited

G.R. Lane Holdings Limited is registered in England and Wales.

G.R. Lane Holdings Limited prepare consolidated financial statements and copies can be obtained from the registered office.