

DERMA UK LIMITED

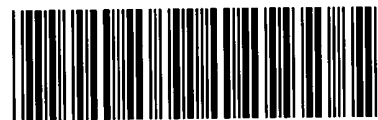
Unaudited Abridged Financial Statements

31 December 2016

JENNINGS & CO

Chartered accountant
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DERMA UK LIMITED

Abridged Financial Statements

Year ended 31 December 2016

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DERMA UK LIMITED

Director's Report

Year ended 31 December 2016

The director presents his report and the unaudited abridged financial statements of the company for the year ended 31 December 2016.

Directors

The directors who served the company during the year were as follows:

Mr N Pass
Mr R C Grove (died 17 September 2017)

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 25 September 2017 and signed on behalf of the board by:

Mr N Pass
Director

Registered office:
The Toffee Factory
Unit S20, Lower Steenbergs Yard
Quayside, Ouseburn, Walker Road
Newcastle-Upon-Tyne
Tyne & Wear
England
NE1 2DF

DERMA UK LIMITED

Abridged Statement of Income and Retained Earnings

Year ended 31 December 2016

	Note	2016 £	2015 £
Gross profit		1,160,946	640,343
Administrative expenses		<u>1,286,248</u>	<u>1,199,318</u>
Operating loss		(125,302)	(558,975)
Income from shares in group undertakings		314,000	–
Other interest receivable and similar income		22	65
Amounts written off investments		5,400	–
Interest payable and similar expenses		<u>10,314</u>	<u>8,326</u>
Profit/(loss) before taxation	5	173,006	(567,236)
Tax on profit/(loss)		<u>(43,419)</u>	–
Profit/(loss) for the financial year and total comprehensive income		<u>216,425</u>	<u>(567,236)</u>
Retained (losses)/earnings at the start of the year		<u>(45,615)</u>	521,621
Retained earnings/(losses) at the end of the year		<u>170,810</u>	<u>(45,615)</u>

All the activities of the company are from continuing operations.

The notes on pages 5 to 11 form part of these abridged financial statements.

DERMA UK LIMITED

Abridged Statement of Financial Position

31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Intangible assets	6	194,327	–
Tangible assets	7	30,983	29,978
Investments	8	–	400
		<u>225,310</u>	<u>30,378</u>
Current assets			
Stocks		443,935	133,537
Debtors		793,898	1,641,526
Cash at bank and in hand		430,458	391,728
		<u>1,668,291</u>	<u>2,166,791</u>
Creditors: amounts falling due within one year		<u>(1,502,391)</u>	<u>(2,022,384)</u>
Net current assets		<u>165,900</u>	<u>144,407</u>
Total assets less current liabilities		<u>391,210</u>	<u>174,785</u>
Net assets		<u>391,210</u>	<u>174,785</u>
Capital and reserves			
Called up share capital		220,400	220,400
Profit and loss account		170,810	(45,615)
Member funds		<u>391,210</u>	<u>174,785</u>

These abridged financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

For the year ending 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The member has not required the company to obtain an audit of its abridged financial statements for the year in question in accordance with section 476;
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of abridged financial statements.

The abridged statement of financial position
continues on the following page.

The notes on pages 5 to 11 form part of these abridged financial statements.

DERMA UK LIMITED**Abridged Statement of Financial Position (continued)****31 December 2016**

All of the members of Derma UK Limited have consented to the preparation of the abridged statement of income and retained earnings and the abridged statement of financial position for the year ending 31 December 2016 in accordance with Section 444 (2A) of the Companies Act 2006.

These abridged financial statements were approved by the board of directors and authorised for issue on 25 September 2017, and are signed on behalf of the board by:



Mr N Pass	
Director	

Company registration number: 03235514

DERMA UK LIMITED

Notes to the Abridged Financial Statements

Year ended 31 December 2016

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is The Toffee Factory, Unit S20, Lower Steenbergs Yard, Quayside, Ouseburn, Walker Road, Newcastle-Upon-Tyne, Tyne & Wear, NE1 2DF, England.

2. Statement of compliance

These abridged financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The abridged financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The abridged financial statements are prepared in sterling, which is the functional currency of the entity.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

DERMA UK LIMITED

Notes to the Abridged Financial Statements *(continued)*

Year ended 31 December 2016

3. Accounting policies *(continued)*

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	- 20% straight line
Motor vehicles	- 25% reducing balance

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

DERMA UK LIMITED

Notes to the Abridged Financial Statements *(continued)*

Year ended 31 December 2016

3. Accounting policies *(continued)*

Investments in associates

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

Investments in joint ventures

Investments in jointly controlled entities accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in jointly controlled entities accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the joint venture arising before or after the date of acquisition.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

DERMA UK LIMITED

Notes to the Abridged Financial Statements *(continued)*

Year ended 31 December 2016

3. Accounting policies *(continued)*

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

DERMA UK LIMITED

Notes to the Abridged Financial Statements *(continued)*

Year ended 31 December 2016

3. Accounting policies *(continued)*

Defined contribution plans *(continued)*

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Employee numbers

The average number of persons employed by the company during the year, including the director, amounted to 18 (2015: 15).

5. Profit before taxation

Profit/(loss) before taxation is stated after charging:

	2016	2015
	£	£
Depreciation of tangible assets	9,593	9,338
Impairment of other fixed asset investments	<u>5,400</u>	<u>—</u>

6. Intangible assets

	£
Cost	
Additions	204,327
Disposals	<u>(10,000)</u>
At 31 December 2016	<u>194,327</u>
Amortisation	
At 1 January 2016 and 31 December 2016	<u>—</u>
Carrying amount	
At 31 December 2016	<u>194,327</u>
At 31 December 2015	<u>—</u>

DERMA UK LIMITED

Notes to the Abridged Financial Statements *(continued)*

Year ended 31 December 2016

7. Tangible assets

	£
Cost	
At 1 January 2016	130,878
Additions	18,992
Disposals	(22,457)
At 31 December 2016	127,413
Depreciation	
At 1 January 2016	100,900
Charge for the year	9,593
Disposals	(14,063)
At 31 December 2016	96,430
Carrying amount	
At 31 December 2016	30,983
At 31 December 2015	29,978

8. Investments

	£
Cost	
At 1 January 2016	400
Additions	5,000
Revaluations	(5,400)
At 31 December 2016	-
Impairment	
At 1 January 2016 and 31 December 2016	-
Carrying amount	
At 31 December 2015	400

9. Operating leases

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

	2016	2015
	£	£
Not later than 1 year	62,371	7,414
Later than 1 year and not later than 5 years	15,221	27,333
	77,592	34,747

DERMA UK LIMITED

Notes to the Abridged Financial Statements *(continued)*

Year ended 31 December 2016

10. Director's advances, credits and guarantees

During the year the director entered into the following advances and credits with the company:

2016				
	Balance brought forward	Advances/ (credits) to the director	Amounts repaid	Balance outstanding
	£	£	£	£
Mr N Pass	(37,836)	(232,499)	20,000	(250,335)
Mr R C Grove	(38,855)	(245,843)	20,000	(264,698)
	<u>(76,691)</u>	<u>(478,342)</u>	<u>40,000</u>	<u>(515,033)</u>

2015				
	Balance brought forward	Advances/ (credits) to the director	Amounts repaid	Balance outstanding
	£	£	£	£
Mr N Pass	(37,836)	—	—	(37,836)
Mr R C Grove	(38,855)	—	—	(38,855)
	<u>(76,691)</u>	<u>—</u>	<u>—</u>	<u>(76,691)</u>

11. Related party transactions

During the year the company entered into the following transactions with related parties:

	Transaction value		Balance owed by/(owed to)	
	2016	2015	2016	2015
	£	£	£	£
Ultrabase Pharma LLP	—	—	(88,793)	506,458
Logic Pharma LLP	—	—	(35,274)	(204,327)
	<u>—</u>	<u>—</u>	<u>(124,067)</u>	<u>302,131</u>

The Company was a non-designated member of two LLP's that are under the control of Mr N Pass and Mr R Grove, and the Company traded with the LLP's at arms length. The Company resigned as a non-designated member of the two LLP's on 20 December 2016.

DERMA UK LIMITED

Management Information

Year ended 31 December 2016

The following pages do not form part of the abridged financial statements.

DERMA UK LIMITED

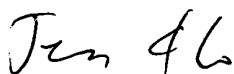
Chartered Accountant's Report to the Director on the Preparation of the Unaudited Statutory Abridged Financial Statements of DERMA UK LIMITED

Year ended 31 December 2016

As described on the abridged statement of financial position, the director of the company is responsible for the preparation of the abridged financial statements for the year ended 31 December 2016, which comprise the abridged statement of income and retained earnings, abridged statement of financial position and the related notes.

You consider that the company is exempt from an audit under the Companies Act 2006.

In accordance with your instructions we have compiled these abridged financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and from information and explanations supplied to us.



JENNINGS & CO
Chartered accountants

The Sharman Law Building
1 Harpur Street
BEDFORD
Bedfordshire
MK40 1PF

25 September 2017