

DERMA UK LIMITED

Filleted Unaudited Financial Statements

31 December 2018

JENNINGS & CO

Chartered accountant
Suite 45
Colworth House
Colworth Park
SHARNBROOK
Bedfordshire
MK44 1LZ



DERMA UK LIMITED

Financial Statements

Year ended 31 December 2018

Contents	Page
Chartered accountant's report to the director on the preparation of the unaudited statutory financial statements	1
Consolidated statement of financial position	2
Company statement of financial position	4
Consolidated statement of changes in equity	6
Company statement of changes in equity	7
Notes to the financial statements	8

DERMA UK LIMITED

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

Year ended 31 December 2018

As described on the consolidated statement of financial position, the director of the company is responsible for the preparation of the financial statements for the year ended 31 December 2018, which comprise the consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity 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 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 accountant

Suite 45
Colworth House
Colworth Park
SHARNBROOK
Bedfordshire
MK44 1LZ

25 September 2019

DERMA UK LIMITED

Consolidated Statement of Financial Position

31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	6	80,991	126,108
Tangible assets	7	13,604	17,360
		<u>94,595</u>	<u>143,468</u>
Current assets			
Stocks		45,127	—
Debtors	8	541,512	301,418
Cash at bank and in hand		918,678	1,066,197
		<u>1,505,317</u>	<u>1,367,615</u>
Creditors: amounts falling due within one year	9	<u>(406,813)</u>	<u>(763,489)</u>
Net current assets		<u>1,098,504</u>	<u>604,126</u>
Total assets less current liabilities		<u>1,193,099</u>	<u>747,594</u>
Net assets		<u>1,193,099</u>	<u>747,594</u>
Capital and reserves			
Called up share capital		220,400	220,400
Other reserves		—	118,721
Profit and loss account		972,699	408,473
Member funds		<u>1,193,099</u>	<u>747,594</u>

These financial statements have been prepared and delivered 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'.

In accordance with section 444 of the Companies Act 2006, the consolidated income statement has not been delivered.

For the year ending 31 December 2018 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 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 financial statements.

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

The notes on pages 8 to 14 form part of these financial statements.

DERMA UK LIMITED

Consolidated Statement of Financial Position *(continued)*

31 December 2018

These financial statements were approved by the board of directors and authorised for issue on 25 September 2019, and are signed on behalf of the board by:



Mr N Pass
Director

Company registration number: 03235514

The notes on pages 8 to 14 form part of these financial statements.

DERMA UK LIMITED

Company Statement of Financial Position

31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	6	80,991	126,108
Tangible assets	7	<u>13,604</u>	<u>17,360</u>
		94,595	143,468
 Current assets			
Stocks		45,127	—
Debtors	8	541,512	301,418
Cash at bank and in hand		<u>918,678</u>	<u>1,066,197</u>
		1,505,317	1,367,615
 Creditors: amounts falling due within one year	9	(405,473)	(762,150)
Net current assets		1,099,844	605,465
Total assets less current liabilities		1,194,439	748,933
Net assets		<u>1,194,439</u>	<u>748,933</u>
 Capital and reserves			
Called up share capital		220,400	220,400
Profit and loss account		<u>974,039</u>	<u>528,533</u>
Member funds		<u>1,194,439</u>	<u>748,933</u>

The profit for the financial year of the parent company was £545,665 (2017: £357,723).

These financial statements have been prepared and delivered 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 2018 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 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 financial statements.

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

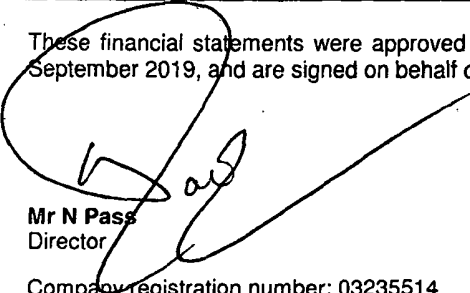
The notes on pages 8 to 14 form part of these financial statements.

DERMA UK LIMITED

Company Statement of Financial Position *(continued)*

31 December 2018

These financial statements were approved by the board of directors and authorised for issue on 25 September 2019, and are signed on behalf of the board by:



Mr N Pass
Director

Company registration number: 03235514

The notes on pages 8 to 14 form part of these financial statements.

DERMA UK LIMITED

Consolidated Statement of Changes in Equity

Year ended 31 December 2018

	Called up share capital £	Other reserves £	Profit and loss account £	Total £
At 1 January 2017	220,400	–	52,367	272,767
Profit for the year			356,106	356,106
Other comprehensive income for the year:				
Fair value movements on investment in subsidiaries	–	118,721	–	118,721
Total comprehensive income for the year	–	118,721	356,106	474,827
At 31 December 2017	220,400	–	408,473	628,873
Profit for the year			545,665	545,665
Other comprehensive income for the year:				
User defined other comprehensive income movement 1	–	–	118,721	118,721
Total comprehensive income for the year	–	–	664,386	664,386
Dividends paid and payable	–	–	(100,160)	(100,160)
Total investments by and distributions to owners	–	–	(100,160)	(100,160)
At 31 December 2018	220,400	–	972,699	1,193,099

The notes on pages 8 to 14 form part of these financial statements.

DERMA UK LIMITED

Company Statement of Changes in Equity

Year ended 31 December 2018

	Called up share capital £	Profit and loss account £	Total £
At 1 January 2017	220,400	170,810	391,210
Profit for the year		357,723	357,723
Total comprehensive income for the year	—	357,723	357,723
At 31 December 2017	220,400	528,534	748,934
Profit for the year		545,665	545,665
Total comprehensive income for the year	—	545,665	545,665
Dividends paid and payable	—	(100,160)	(100,160)
Total investments by and distributions to owners	—	(100,160)	(100,160)
At 31 December 2018	<u>220,400</u>	<u>974,039</u>	<u>1,194,439</u>

The notes on pages 8 to 14 form part of these financial statements.

DERMA UK LIMITED

Notes to the Financial Statements

Year ended 31 December 2018

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

Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The financial statements consolidate the financial statements of DERMA UK LIMITED and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

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.

DERMA UK LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

3. Accounting policies *(continued)*

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.

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.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Patents, trademarks and licences	-	5% straight line
----------------------------------	---	------------------

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

DERMA UK LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

3. Accounting policies *(continued)*

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

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.

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.

DERMA UK LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

3. Accounting policies *(continued)*

Financial instruments *(continued)*

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.

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 17 (2017: 19).

DERMA UK LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

5. Tax on profit

Major components of tax expense

	2018 £	2017 £
Current tax:		
UK current tax expense	25,317	—
Tax on profit	25,317	—

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK of 19% (2017: 19%).

	2018 £	2017 £
Profit on ordinary activities before taxation	570,982	356,106
Profit on ordinary activities by rate of tax	108,487	71,545
Effect of expenses not deductible for tax purposes	5,572	5,572
Effect of capital allowances and depreciation	(1,385)	(1,458)
Effect of revenue exempt from tax	—	(26,535)
Utilisation of tax losses	(87,357)	(49,124)
Tax on profit	25,317	—

6. Intangible assets

Group and company

	Patents, trademarks and licences £
Cost	
At 1 January 2018	203,480
Additions	60,642
At 31 December 2018	264,122
Amortisation	
At 1 January 2018	77,373
Charge for the year	105,758
At 31 December 2018	183,131
Carrying amount	
At 31 December 2018	80,991
At 31 December 2017	126,107

DERMA UK LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

7. Tangible assets

Group and company	Plant and machinery £	Motor vehicles £	Total £
Cost			
At 1 January 2018	121,636	10,625	132,261
Additions	8,887	–	8,887
At 31 December 2018	130,523	10,625	141,148
Depreciation			
At 1 January 2018	111,872	3,029	114,901
Charge for the year	10,882	1,761	12,643
At 31 December 2018	122,754	4,790	127,544
Carrying amount			
At 31 December 2018	7,769	5,835	13,604
At 31 December 2017	9,764	7,596	17,360

8. Debtors

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	485,703	255,771	485,703	255,771
Other debtors	55,809	45,647	55,809	45,647
	541,512	301,418	541,512	301,418

9. Creditors: amounts falling due within one year

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Proceeds from invoice discounting	–	14,366	–	14,366
Trade creditors	162,525	59,002	162,525	59,003
Corporation tax	25,317	–	25,317	–
Social security and other taxes	188,865	19,466	188,865	19,466
Other creditors	30,106	670,655	28,766	669,315
	406,813	763,489	405,473	762,150

DERMA UK LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

10. Director's advances, credits and guarantees

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

	2018			
	Balance brought forward £	Advances/ (credits) to the director £	Amounts repaid £	Balance outstanding £
Mr N Pass	(19,607)	(50,080)	69,685	(2)
Mr R Grove	(34,689)	(50,080)	83,999	(770)
	<u>(54,296)</u>	<u>(100,160)</u>	<u>153,684</u>	<u>(772)</u>

	2017			
	Balance brought forward £	Advances/ (credits) to the director £	Amounts repaid £	Balance outstanding £
Mr N Pass	(250,335)	—	230,728	(19,607)
Mr R Grove	(264,698)	—	230,009	(34,689)
	<u>(515,033)</u>	<u>—</u>	<u>460,737</u>	<u>(54,296)</u>