

Adherium Europe Ltd

Unaudited Financial Statements

Year Ended

30 June 2020

Company Number 10071813

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Adherium Europe Ltd
Registered number:10071813

Balance sheet
As at 30 June 2020

	Note	2020 £	2019 £
Current assets			
Debtors: amounts falling due within one year	4	3,914	1,265
		<u>3,914</u>	<u>1,265</u>
Creditors: amounts falling due within one year	5	(1,522,256)	(1,008,972)
Net current liabilities		<u>(1,518,342)</u>	<u>(1,007,707)</u>
Total assets less current liabilities		<u>(1,518,342)</u>	<u>(1,007,707)</u>
Net liabilities		<u><u>(1,518,342)</u></u>	<u><u>(1,007,707)</u></u>
Capital and reserves			
Called up share capital	6	100	100
Profit and loss account		(1,518,442)	(1,007,807)
		<u><u>(1,518,342)</u></u>	<u><u>(1,007,707)</u></u>

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

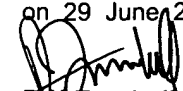
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 June 2021.


R.W. Turnbull
Director

The notes on pages 2 to 5 form part of these financial statements.

Adherium Europe Ltd

Notes to the financial statements For the year ended 30 June 2020

1. General information

Adherium Europe Ltd is a private company incorporated in England and Wales under the Companies Act. It is a company limited by shares. The address of the registered office is 2nd Floor, 31 Chertsey Street, Guildford, Surrey, GU1 4HD.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

At the balance sheet date the company had net current liabilities of £1,518,342 (2019: £1,007,707). The ability of the company to continue trading is dependent on the continued support of the parent company.

The directors of the Company are continually assessing the impact of COVID-19. The situation is continuing to evolve and it is not possible at this stage to determine with any certainty the impact on the Company, its customers, employees and suppliers. The directors are continually reviewing their plans and forecasts and believe that the going concern basis is appropriate for the foreseeable future as the group has seen COVID-19 as a driver for their growth plans.

2.3 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.4 Turnover

No turnover has been generated for the period. The company is responsible for business development and moving forward, the sale of the parent, Adherium Limited's products. Turnover will comprise of revenue recognised by the company in respect of goods supplied during the period, exclusive of Value Added Tax and trade discounts.

Adherium Europe Ltd

Notes to the financial statements For the year ended 30 June 2020

2. Accounting policies (continued)

2.5 Taxation

Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not discounted.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Adherium Europe Ltd

Notes to the financial statements For the year ended 30 June 2020

2. Accounting policies (continued)

2.9 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Employees

The average monthly number of employees, including directors, during the year was 2 (2019 - 3).

Adherium Europe Ltd

Notes to the financial statements For the year ended 30 June 2020

4. Debtors

	2020 £	2019 £
Other debtors	3,914	1,265
	<u>3,914</u>	<u>1,265</u>

5. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	6,309	-
Amounts owed to group undertakings	1,430,319	1,008,972
Other creditors	85,628	-
	<u>1,522,256</u>	<u>1,008,972</u>

6. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
1 Ordinary share of £100.00	100	100
	<u>100</u>	<u>100</u>

7. Controlling party

The company is a wholly owned subsidiary of Adherium Limited which is the ultimate parent company incorporated in Australia.