

**WELEDA (UK) LIMITED**  
**REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

THURSDAY



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FOR THE YEAR ENDED 31 DECEMBER 2009**

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**WELEDA (UK) LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2009**

<b>DIRECTORS:</b>	M Aebersold (Chairman) R Ballard (Managing director) I Wiggle (Non-executive) O A Liebendorfer
<b>SECRETARY</b>	S A Spibey
<b>REGISTERED OFFICE.</b>	Heanor Road Ilkeston Derbyshire DE7 8DR
<b>REGISTERED NUMBER.</b>	00203230 (England and Wales)
<b>AUDITORS:</b>	Duncan & Toplis Chartered Accountants & Statutory Auditors 14 London Road Newark Nottinghamshire NG24 1TW
<b>BANKERS.</b>	HSBC Bank plc Bath Street Ilkeston Derbyshire DE7 8DD
<b>SOLICITORS:</b>	Horton & Moss 4-5 East Street Ilkeston Derbyshire DE7 5JB

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

The directors present their report with the financial statements of the company for the year ended 31 December 2009

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of the manufacture and distribution of medicinal products and high quality toiletries on the principles of anthroposophical medicines

**REVIEW OF BUSINESS**

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and complex nature of our business and is written in the context of the risks and uncertainties we face

The company's activities involve the production and sale of Anthroposophic and Homoeopathic Medicines and Natural Organic Cosmetic products

We consider that our key financial performance indicators are those that communicate the performance and strength of the company as a whole, these being turnover, gross margin and return on capital employed. A table showing these key indicators over the last four years has been included below

	2009	2008	2007	2006
Turnover £	5,918,000	5,221,823	5,012,478	4,780,221
Gross profit %	68.77%	72.19%	71.98%	74.45%
Net profit before tax				
%	1.66%	(7.32)%	1.17%	4.81%
ROCE %	7.60%	(15.96)%	5.64%	11.47%

The company has enjoyed a strong growth in its core business activities and an increase in overall sales of 13.3%

Operating results improved from a loss of £315,610 in 2008 to a profit of £157,270 in 2009. The increase in turnover of 13.3% and return to profitability was achieved against the worst trading conditions in the UK for decades

There was a particularly strong increase in Natural Organic Cosmetic sales of 21% over 2008 and in the Pharmaceutical business showed modest gains of 3% over 2008. The Company and its products received 24 awards/recognitions during the year

The Baby Range was awarded Gold Award for Best Baby Skin Care Range and Skin Food was the UK Beauty Product of the year

The gross profit margin fell in the year due to the majority of the sales increase coming from Natural Organic Cosmetics which are purchased from the group in euros. The margin was also affected by this increase coming from major accounts and wholesalers who enjoy discounts on the trade prices

The level of gearing fell slightly during 2009 from 35.7% in 2008 to 33.1 due to the company returning to profitability. The level of loans has remained constant during the year as the company benefits from an interest only period. Capital payments on the loans will commence in 2011

**DIVIDENDS**

There have been no ordinary dividends paid or declared during the year

The preference share dividend for the year was £6,000

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

**FUTURE DEVELOPMENTS**

The directors aim to maintain the management policies which have resulted in a continued sales growth year on year and continued improved profitability despite the continuing difficult trading conditions in the UK and especially Ireland

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2009 to the date of this report

M Aebersold (Chairman)  
R Ballard (Managing director)  
I Wiggle (Non-executive)  
O A Liebendorfer

**POLITICAL AND CHARITABLE CONTRIBUTIONS**

During the year the following donations were made

Local donations	£1,425
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**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- 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

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

**WELEDA (UK) LIMITED**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

**AUDITORS**

The auditors, Duncan & Toplis, will be proposed for re-appointment at the forthcoming Annual General Meeting

**ON BEHALF OF THE BOARD:**



R Ballard (Managing director) - Director

Date

4/02/10

## **REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF WELEDA (UK) LIMITED**

We have audited the financial statements of Weleda (UK) Limited for the year ended 31 December 2009 on pages five to eighteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 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 a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

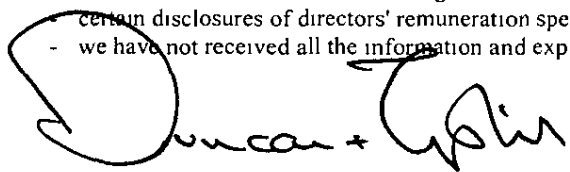
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

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



Ian Phillips (Senior Statutory Auditor)  
for and on behalf of Duncan & Topliss  
Chartered Accountants &  
Statutory Auditors  
14 London Road  
Newark  
Nottinghamshire  
NG24 1TW

4 February 2010

**WELEDA (UK) LIMITED (REGISTERED NUMBER 00203230)****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2009**

	Notes	31 12 09 £	31 12 08 £
<b>TURNOVER</b>	2	5,918,000	5,221,823
Cost of sales		<u>1,848,152</u>	<u>1,452,202</u>
<b>GROSS PROFIT</b>		4,069,848	3,769,621
Administrative expenses		<u>3,913,212</u>	<u>4,098,451</u>
		156,636	(328,830)
Other operating income		<u>613</u>	<u>13,220</u>
<b>OPERATING PROFIT/(LOSS)</b>	4	157,249	(315,610)
Interest receivable and similar income		<u>21</u>	<u>8,986</u>
		157,270	(306,624)
Interest payable and similar charges	5	<u>59,054</u>	<u>75,808</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		98,216	(382,432)
Tax on profit/(loss) on ordinary activities	6	<u>8,081</u>	<u>(104,664)</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<u>90,135</u>	<u>(277,768)</u>
<b>PROFIT/(DEFICIT) FOR THE YEAR</b>		90,135	(277,768)
Retained profit brought forward		<u>612,909</u>	<u>945,277</u>
		703,044	667,509
Dividends	7	<u>-</u>	<u>(54,600)</u>
<b>RETAINED PROFIT CARRIED FORWARD</b>		<u>703,044</u>	<u>612,909</u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profit for the current year and the loss for the previous year

The notes form part of these financial statements

**WELEDA (UK) LIMITED**

**BALANCE SHEET  
31 DECEMBER 2009**

	Notes	31 12 09 £	31 12 08 £
<b>FIXED ASSETS</b>			
Tangible assets	8	2,743,159	2,887,066
Investments	9	-	-
		<u>2,743,159</u>	<u>2,887,066</u>
<b>CURRENT ASSETS</b>			
Stocks	10	1,409,248	1,072,702
Debtors	11	1,066,891	937,935
Cash at bank and in hand		143,209	235,117
		<u>2,619,348</u>	<u>2,245,754</u>
<b>CREDITORS</b>			
Amounts falling due within one year	12	1,664,083	1,447,076
<b>NET CURRENT ASSETS</b>		<u>955,265</u>	<u>798,678</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>3,698,424</u>	<u>3,685,744</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	13	(1,625,000)	(1,635,000)
<b>PROVISIONS FOR LIABILITIES</b>	17	(5,380)	(72,835)
<b>NET ASSETS</b>		<u>2,068,044</u>	<u>1,977,909</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	1,365,000	1,365,000
Profit and loss account		703,044	612,909
<b>SHAREHOLDERS' FUNDS</b>	23	<u>2,068,044</u>	<u>1,977,909</u>

The financial statements were approved by the Board of Directors on its behalf by

*4/12/10*

and were signed on

*R. Ballard*

R Ballard (Managing director) - Director

The notes form part of these financial statements

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2009**

	Notes	31 12 09 £	£	31 12 08 £	£
<b>Net cash inflow/(outflow) from operating activities</b>	1		113,148		(407,546)
<b>Returns on investments and servicing of finance</b>	2		(59,033)		(66,822)
<b>Taxation</b>			28,833		3,952
<b>Capital expenditure</b>	2		(111,842)		(170,836)
<b>Equity dividends paid</b>			-		(54,600)
			(28,894)		(695,852)
<b>Financing</b>	2		(10,000)		487,810
<b>Decrease in cash in the period</b>			<u>(38,894)</u>		<u>(208,042)</u>
<hr/>					
<b>Reconciliation of net cash flow to movement in net debt</b>	3				
Decrease in cash in the period		(38,894)		(208,042)	
Cash outflow/(inflow) from decrease/(increase) in debt		<u>10,000</u>		<u>(487,810)</u>	
Change in net debt resulting from cash flows			<u>(28,894)</u>		<u>(695,852)</u>
<b>Movement in net debt in the period</b>			(28,894)		(695,852)
<b>Net debt at 1 January</b>			<u>(1,609,976)</u>		<u>(914,124)</u>
<b>Net debt at 31 December</b>			<u><u>(1,638,870)</u></u>		<u><u>(1,609,976)</u></u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2009**

**1 RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW/(OUTFLOW)  
FROM OPERATING ACTIVITIES**

	31 12 09	31 12 08
	£	£
Operating profit/(loss)	157,249	(315,610)
Depreciation charges	255,749	254,021
Increase in stocks	(336,546)	(243,721)
(Increase)/Decrease in debtors	(233,325)	34,152
Increase/(Decrease) in creditors	<u>270,021</u>	<u>(136,388)</u>
<b>Net cash inflow/(outflow) from operating activities</b>	<b><u>113,148</u></b>	<b><u>(407,546)</u></b>

**2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	31 12 09	31 12 08
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest received	21	8,986
Interest paid	<u>(59,054)</u>	<u>(75,808)</u>
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b><u>(59,033)</u></b>	<b><u>(66,822)</u></b>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(111,842)	(171,486)
Sale of tangible fixed assets	<u>-</u>	<u>650</u>
<b>Net cash outflow for capital expenditure</b>	<b><u>(111,842)</u></b>	<b><u>(170,836)</u></b>
<b>Financing</b>		
New loans in year	-	1,525,000
Loan repayments in year	<u>(10,000)</u>	<u>(1,037,190)</u>
<b>Net cash (outflow)/inflow from financing</b>	<b><u>(10,000)</u></b>	<b><u>487,810</u></b>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2009

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1 1 09 £	Cash flow £	At 31 12 09 £
Net cash			
Cash at bank and in hand	235,117	(91,908)	143,209
Bank overdraft	<u>(200,093)</u>	<u>53,014</u>	<u>(147,079)</u>
	<u>35,024</u>	<u>(38,894)</u>	<u>(3,870)</u>
Debt			
Debts falling due within one year	(10,000)	-	(10,000)
Debts falling due after one year	<u>(1,635,000)</u>	<u>10,000</u>	<u>(1,625,000)</u>
	<u>(1,645,000)</u>	<u>10,000</u>	<u>(1,635,000)</u>
Total	<u>(1,609,976)</u>	<u>(28,894)</u>	<u>(1,638,870)</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

**1 ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention

**Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax

Revenue is recognised on the despatch of goods

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Freehold property	- 5% on reducing balance
Plant and machinery	- 40% on reducing balance and 20% on reducing balance
Fixtures and fittings	- 20% on reducing balance
Motor vehicles	- 25% on reducing balance

**Stocks**

Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value, after making due allowance for obsolete and slow-moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

**Research and development**

Expenditure on research and development is written off in the year in which it is incurred

**Foreign currencies**

Transactions expressed in foreign currencies are recorded at the rate ruling at the date of the transaction

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date

All differences are taken to the profit and loss account

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

**Pension costs and other post-retirement benefits**

The company operates a defined benefit pension scheme, which is now closed to new employees

In accordance with FRS 17, Retirement Benefits, the scheme is deemed to meet the requirements of a multi-employer scheme without separable assets being identifiable and therefore the accounting treatment is that applied to a defined contribution scheme. The pension cost charged to the profit and loss account represents the contributions payable during the year

The company also operates a defined contribution pension scheme. The pension cost is charged to the profit and loss account as incurred

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

**2 TURNOVER**

The turnover and profit (2008 - loss) before taxation are attributable to the one principal activity of the company

An analysis of turnover by geographical market is given below

	31 12 09	31 12 08
	£	£
United Kingdom	5,368,981	4,592,282
Other EU Member States	498,125	522,186
Others	50,894	107,355
	<u>5,918,000</u>	<u>5,221,823</u>

**3 STAFF COSTS**

	31 12 09	31 12 08
	£	£
Wages and salaries	1,519,896	1,537,358
Social security costs	136,565	114,137
Other pension costs	199,216	120,867
	<u>1,855,677</u>	<u>1,772,362</u>

The average monthly number of employees during the year was as follows

	31 12 09	31 12 08
Office and management	16	16
Production and sales	<u>80</u>	<u>80</u>
	<u>96</u>	<u>96</u>

**4 OPERATING PROFIT/(LOSS)**

The operating profit (2008 - operating loss) is stated after charging/(crediting)

	31 12 09	31 12 08
	£	£
Hire of plant and machinery	6,247	9,189
Depreciation - owned assets	255,749	254,021
Auditors' remuneration	19,750	18,250
Auditors' remuneration for non audit work	6,000	-
Foreign exchange differences	(75,769)	282,397
Operating lease rentals - plant and machinery	<u>40,087</u>	<u>30,095</u>
Directors' remuneration	<u>94,014</u>	<u>92,720</u>

The number of directors to whom retirement benefits were accruing was as follows

Defined benefit schemes	<u>1</u>	<u>1</u>
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NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2009

## 5 INTEREST PAYABLE AND SIMILAR CHARGES

	31 12 09	31 12 08
	£	£
Bank loan interest	32,929	68,308
Group undertakings interest	20,125	1,500
Preference dividend	<u>6,000</u>	<u>6,000</u>
	<u>59,054</u>	<u>75,808</u>

## 6 TAXATION

## Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit on ordinary activities for the year was as follows

	31 12 09	31 12 08
	£	£
Current tax		
UK corporation tax	-	(104,369)
Adjustment re previous years	<u>75,536</u>	<u>-</u>
Total current tax	<u>75,536</u>	<u>(104,369)</u>
Deferred tax		
Deferred tax	50,068	(295)
Adjustment re previous years	<u>(117,523)</u>	<u>-</u>
Total deferred tax	<u>(67,455)</u>	<u>(295)</u>
Tax on profit/(loss) on ordinary activities	<u>8,081</u>	<u>(104,664)</u>

## Factors affecting the tax charge/(credit)

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	31 12 09	31 12 08
	£	£
Profit/(loss) on ordinary activities before tax	<u>98,216</u>	<u>(382,432)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2008 - 30%)	20,625	(114,730)
Effects of		
Expenses not allowable for tax	7,973	11,045
Depreciation for period in excess of capital allowances	3,365	(2,491)
Marginal relief	-	(1,007)
Other timing differences	(724)	2,814
Losses brought forward utilised in year	(31,239)	-
Adjustments re previous years	<u>75,536</u>	<u>-</u>
Current tax charge/(credit)	<u>75,536</u>	<u>(104,369)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2009

## 7 DIVIDENDS

	31 12 09 £	31 12 08 £
Ordinary shares of £1 each		
Final	<u>-</u>	<u>54,600</u>

## 8 TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>					
At 1 January 2009	3,063,672	1,043,201	373,160	3,690	4,483,723
Additions	<u>-</u>	<u>103,189</u>	<u>8,653</u>	<u>-</u>	<u>111,842</u>
At 31 December 2009	<u>3,063,672</u>	<u>1,146,390</u>	<u>381,813</u>	<u>3,690</u>	<u>4,595,565</u>
<b>DEPRECIATION</b>					
At 1 January 2009	761,954	601,279	230,682	2,742	1,596,657
Charge for year	<u>115,086</u>	<u>110,696</u>	<u>29,730</u>	<u>237</u>	<u>255,749</u>
At 31 December 2009	<u>877,040</u>	<u>711,975</u>	<u>260,412</u>	<u>2,979</u>	<u>1,852,406</u>
<b>NET BOOK VALUE</b>					
At 31 December 2009	<u>2,186,632</u>	<u>434,415</u>	<u>121,401</u>	<u>711</u>	<u>2,743,159</u>
At 31 December 2008	<u>2,301,718</u>	<u>441,922</u>	<u>142,478</u>	<u>948</u>	<u>2,887,066</u>

## 9 FIXED ASSET INVESTMENTS

The company owns 30% of the issued share capital of Weleda (Ireland) Limited, a dormant company incorporated in Ireland. The nominal value of shares held is £3,000. The cost of this investment amounting to £3,000 was fully provided against in 1994.

## 10 STOCKS

	31 12 09 £	31 12 08 £
Raw materials and consumables	255,590	245,340
Work-in-progress	85,823	66,496
Finished goods	<u>1,067,835</u>	<u>760,866</u>
	<u>1,409,248</u>	<u>1,072,702</u>

## 11 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 12 09 £	31 12 08 £
Trade debtors	928,714	764,036
Amounts due from group undertakings	6,565	13,104
Taxation	-	104,369
Prepayments	<u>131,612</u>	<u>56,426</u>
	<u>1,066,891</u>	<u>937,935</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2009

## 12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 12 09	31 12 08
	£	£
Bank loans and overdrafts (see note 14)	147,079	200,093
Trade creditors	236,782	160,441
Other taxes and social security	182,413	156,813
Other creditors	40,917	40,474
Amounts due to group undertakings	911,272	746,633
Accrued expenses	145,620	142,622
	<u>1,664,083</u>	<u>1,447,076</u>

## 13 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 12 09	31 12 08
	£	£
Bank loans (see note 14)	1,100,000	1,100,000
Other loans (see note 14)	525,000	535,000
	<u>1,625,000</u>	<u>1,635,000</u>

## 14 LOANS

An analysis of the maturity of loans is given below

	31 12 09	31 12 08
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	<u>147,079</u>	<u>200,093</u>
Amounts falling due between one and two years		
Bank loans - 1-2 years	120,000	-
Due to group undertakings	<u>210,000</u>	-
	<u>330,000</u>	-
Amounts falling due between two and five years		
Bank loans - 2-5 years	380,000	376,239
Due to group undertakings	<u>215,000</u>	<u>435,000</u>
	<u>595,000</u>	<u>811,239</u>
Amounts falling due in more than five years		
Repayable by instalments		
Bank loans more than 5 years	600,000	723,761
Preference shares	<u>100,000</u>	<u>100,000</u>
	<u>700,000</u>	<u>823,761</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

**14 LOANS - continued**

One of the loans from group undertakings is being repaid at £10,000 per annum and carries interest of 5% per annum. Also, a loan of £425,000 was taken out during 2008 from a group undertaking which is due to be repaid in between 1-5 years by monthly instalments

Rights of non-equity shares 6% redeemable cumulative preference shares of £1 each

i) entitle holders, in priority to the ordinary shareholders, to a fixed cumulative preference dividend payable annually in arrears,

ii) on a return of capital on a winding up, carry the right to repayment of capital in priority to the rights of the ordinary shareholders,

iii) are redeemable at the company's option at par,

iv) carry the right to vote at a general meeting of the company only if payment of any dividend on the redeemable cumulative preference shares is more than six months in arrears or if the business of the meeting includes a resolution to vary the rights attaching to the preference shares

Details of shares shown as liabilities are as follows

Allotted, issued and fully paid Number	Class	Nominal value	31 12 09 £	31 12 08 £
100,000	6% redeemable cumulative preference	£1	<u>100,000</u>	<u>100,000</u>

**15 OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year

	Other operating leases	
	31 12 09 £	31 12 08 £
Expiring		
Within one year	3,171	5,145
Between one and five years	25,611	25,623
In more than five years	<u>9,103</u>	<u>14,177</u>
	<u>37,885</u>	<u>44,945</u>

**16 SECURED DEBTS**

The following secured debts are included within creditors

	31 12 09 £	31 12 08 £
Bank loans and overdrafts	<u>1,247,079</u>	<u>1,300,093</u>

The bank loans and overdrafts are secured by various legal charges over the freehold land and buildings and a fixed charge over book debts and a floating charge over all other assets

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2009

17 PROVISIONS FOR LIABILITIES

	31 12 09 £	31 12 08 £
Deferred tax		
Accelerated capital allowances	<u>5,380</u>	<u>72,835</u>
		Deferred tax
		£
Balance at 1 January 2009		72,835
Transferred to profit and loss		<u>(67,455)</u>
Balance at 31 December 2009		<u>5,380</u>

18 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value £1	31 12 09 £	31 12 08 £
1,365,000	Ordinary		<u>1,365,000</u>	<u>1,365,000</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2009**

**19 PENSION COMMITMENTS**

The company participates in a funded defined benefit pension scheme, providing benefits based on final pensionable earnings which is the basic salary. The scheme has equal pension rights with respect to members of either sex. The assets of the scheme are held in a separate trustee administered (multi-employer) fund. The assets and liabilities of the fund are not wholly attributable to the company, as the fund includes the pensions of employees of other participating organisations. The employer is unable to identify its share of the underlying assets and liabilities on a consistent basis. The company is exposed to actuarial risks associated with the current and former employees of other entities, and contributions are set at a common level for all participant organisations and thus does not reflect the characteristics of the workforces of the various employers.

The most recent formal actuarial valuation was undertaken by an independent professionally qualified actuary as at 31 March 2007 using the attained age method. The principal assumptions which have the most significant effect on the computation of the pension costs are those related to the rate of return on the investments (assumed to be 5% post retirement and 7.5% pre retirement) and the rates of increase in earnings and pensions (assumed to be 4.25% and 3.25% respectively). These assumptions have been derived from the market yields applying at the valuation date. In particular, the investment return used relating to pre-retirement liabilities was 3.25 percentage points per annum in excess of the assumed rate of increase in earnings.

At 31 March 2007 the actuarial value of scheme assets was £13,078,000 compared to actuarial liabilities of £17,948,000. The company's share of the total fund shortfall of £4,870,000 has not been recognised in the accounts as it is not possible to calculate the company's share of the deficit. Employer contributions made during the year were £107,280 (2008: £98,204). Contributions outstanding at the balance sheet date were £8,733 (2008: £3,927).

The funding position has been updated as at 31 March 2008 and shows a total fund shortfall of £7,800,000.

A recovery plan has been put in place to eliminate the shortfall which requires the employers to make contributions at the rate of £474,841 pa increasing at each 1 April by 5% compound, for a period of 20 years from 1 January 2009 to 31 December 2028.

Weleda (UK) Limited's share of the contribution is £99,805 pa. As stated above, it is not possible to identify the company's share of the shortfall.

As the defined benefit pension scheme is now closed to new employees the company has started a defined contribution pension scheme. Employer contributions made during the year were £91,935 (2008: £22,663) and contributions outstanding at the year end were £10,693 (2008: £13,506).

**20 CONTINGENT LIABILITIES**

As set out in note 19, the company has a commitment to pay £99,805 p a increasing by 5% compound for a period of 20 years from 1 January 2009 to 31 December 2028.

The company also has a joint and several liability with the other employers of the scheme to fund the scheme's shortfall.

The company has indemnified its bankers for the sum of up to £5,500 (2008: £5,500) in respect of VAT and duty deferment bonds.

**21 TRANSACTIONS WITH DIRECTORS**

During the year consultancy fees of £11,547 (2008: £14,421) were paid to I Wiggle, a non-executive director of the company.

**22 RELATED PARTY DISCLOSURES**

The company has taken advantage of the exemption in paragraph 3(c) of FRS 8 from disclosing transactions with related parties that are part of the Weleda AG group or investees of the group.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

**23 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	31 12 09	31 12 08
	£	£
Profit/(Loss) for the financial year	90,135	(277,768)
Dividends	-	(54,600)
<b>Net addition/(reduction) to shareholders' funds</b>	90,135	(332,368)
Opening shareholders' funds	<u>1,977,909</u>	<u>2,310,277</u>
<b>Closing shareholders' funds</b>	<u>2,068,044</u>	<u>1,977,909</u>

**24 ULTIMATE HOLDING COMPANY**

The ultimate parent undertaking and controlling party is Weleda AG, a company incorporated in Switzerland

The parent undertaking of the only group of undertakings for which group accounts are drawn up and of which the company is a member is Weleda AG. Copies of Weleda AG's accounts can be obtained from CH-4144 Arlesheim, Switzerland