

15 APR 2015

WELEDA (U.K.) LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2014

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FOR THE YEAR ENDED 31 DECEMBER 2014**

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WELEDA (U.K.) LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2014**

DIRECTORS:

A O Sommer
P Braendle

REGISTERED OFFICE:

Heanor Road
Ilkeston
Derbyshire
DE7 8DR

REGISTERED NUMBER:

00203230 (England and Wales)

SENIOR STATUTORY AUDITOR:

Ian Phillips

AUDITORS:

Duncan & Toplis Limited
14 London Road
Newark
Nottinghamshire
NG24 1TW

BANKERS:

HSBC Bank plc
Bath Street
Ilkeston
Derbyshire
DE7 8DD

SOLICITORS:

Horton & Moss
4-5 East Street
Ilkeston
Derbyshire
DE7 5JB

WELEDA (U.K.) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

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 complexity 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:

	2014	2013	2012	2011
Turnover £	6,160,415	5,843,070	5,988,407	5,569,870
Gross profit %	65.04%	65.55%	66.23%	68.01%
Net profit before tax %	(1.22)%	(1.19)%	2.12%	(3.81)%
ROCE %	0.90%	1.41%	17.1%	(6.25)%

A split of turnover by business sector for the last two years is as follows:

	2014	2013
Pharmaceuticals	1,872,415	1,910,533
Natural Organic Cosmetics	4,288,000	3,932,537
Total	6,160,415	5,843,070

Turnover increased during 2014 by over £300,000 compared to 2013 and has finally exceeded the historic sales peak of £6.07 million in 2010. The growth can be attributed to the following areas:

Increased distribution in existing major national retail accounts driving +9% increase in Natural Organic Cosmetic sales.

New Distribution into other national retailers including the development of Pharmaceuticals as well as Natural Organic Cosmetic sales.

Significant recovery of Homeopathic sales.

Expenses have exceeded initial plans in a number of areas due to strategic investment in new and existing markets, leading to the 2014 sales growth and creating potential for further growth in 2015 and beyond. Whilst the investment has led to an overall loss in 2014, it was necessary to secure the growth of the business.

PRINCIPAL RISKS AND UNCERTAINTIES

The main risk affecting the company continues to be its exposure to economic conditions which is common for the industry in which it operates. The Anthroposophic sector of the business is declining year on year as fewer doctors enter the market however this is offset by increases in mass channel sales to major UK Supermarkets. To reduce its exposure to changes in economic conditions and consumer trend the company has diversified its product ranges and customer base.

ON BEHALF OF THE BOARD:


.....
J. Braendle - Director

Date: 15/04/2015

WELEDA (U.K.) LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report with the accounts of the company for the year ended 31 December 2014.

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.

DIVIDENDS

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

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

FUTURE DEVELOPMENTS

The directors aim to maintain the management policies and tight cost controls to run the business profitably despite the continuing difficult trading conditions in the UK and Ireland.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2014 to the date of this report.

A O Sommer
P Braendle

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.

WELEDA (U.K.) LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2014**

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.

ON BEHALF OF THE BOARD:

A handwritten signature in dark ink, appearing to read 'P Braendle', is written over a horizontal dotted line.

P Braendle - Director

Date: 15/04/2015

**REPORT OF THE INDEPENDENT AUDITORS TO
WELEDA (U.K.) LIMITED
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts set out on pages six to twenty two, together with the full financial statements of Weleda (U.K.) Limited for the year ended 31 December 2014 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

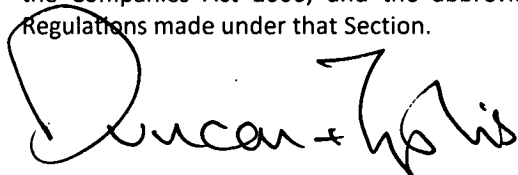
The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.

A handwritten signature in black ink, appearing to read 'Duncan & Toplis', is written over the printed name of the auditor.

Ian Phillips (Senior Statutory Auditor)
for and on behalf of Duncan & Toplis Limited
14 London Road
Newark
Nottinghamshire
NG24 1TW

21 April 2015

WELEDA (U.K.) LIMITED

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	31.12.14		31.12.13	
		£	£	£	£
TURNOVER	2		6,160,415		5,843,070
Cost of sales and other operating income			(2,138,572)		(2,012,605)
			<u>4,021,843</u>		<u>3,830,465</u>
Administrative expenses			<u>4,028,024</u>		<u>3,812,266</u>
OPERATING (LOSS)/PROFIT	4		(6,181)		18,199
Interest payable and similar charges	5	27,261		24,788	
Other finance costs	19	<u>42,000</u>		<u>63,000</u>	
			<u>69,261</u>		<u>87,788</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION			(75,442)		(69,589)
Tax on loss on ordinary activities	6		<u>2,975</u>		<u>(12,599)</u>
LOSS FOR THE FINANCIAL YEAR			<u>(78,417)</u>		<u>(56,990)</u>

CONTINUING OPERATIONS

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

The notes form part of these abbreviated accounts

WELEDA (U.K.) LIMITED**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2014**

	31.12.14 £	31.12.13 £
LOSS FOR THE FINANCIAL YEAR	(78,417)	(56,990)
Actuarial (losses)/gains on pension scheme	(385,000)	124,000
	<hr/>	<hr/>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>(463,417)</u>	<u>67,010</u>

The notes form part of these abbreviated accounts

ABBREVIATED BALANCE SHEET
31 DECEMBER 2014

	Notes	31.12.14 £	31.12.13 £
FIXED ASSETS			
Tangible assets	7	2,199,440	2,222,537
Investments	8		
		<u>2,199,440</u>	<u>2,222,537</u>
CURRENT ASSETS			
Stocks	9	1,374,892	1,208,685
Debtors	10	1,334,655	1,112,974
Cash at bank and in hand		358,862	191,591
		<u>3,068,409</u>	<u>2,513,250</u>
CREDITORS			
Amounts falling due within one year	11	<u>2,225,709</u>	<u>1,487,470</u>
NET CURRENT ASSETS		<u>842,700</u>	<u>1,025,780</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,042,140</u>	<u>3,248,317</u>
CREDITORS			
Amounts falling due after more than one year	12	(533,236)	(671,971)
PROVISIONS FOR LIABILITIES	16	(47,178)	(44,203)
PENSION LIABILITY	19	(2,308,000)	(1,915,000)
NET ASSETS		<u>153,726</u>	<u>617,143</u>
CAPITAL AND RESERVES			
Called up share capital	17	1,395,000	1,395,000
Share premium	18	720,000	720,000
Profit and loss account	18	(1,961,274)	(1,497,857)
SHAREHOLDERS' FUNDS	22	<u>153,726</u>	<u>617,143</u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to medium-sized companies.

The financial statements were approved by the Board of Directors on 15/04/2015 and were signed on its behalf by:


 P Braendle - Director

The notes form part of these abbreviated accounts

WELEDA (U.K.) LIMITED
**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	31.12.14 £	£	31.12.13 £	£
Net cash inflow from operating activities	1		631,475		171,640
Returns on investments and servicing of finance	2		(27,261)		(24,788)
Taxation					(23,979)
Capital expenditure	2		(151,302)		(171,290)
			452,912		(48,417)
Financing	2		(135,989)		(133,300)
Increase/(decrease) in cash in the period			316,923		(181,717)
<hr/>					
Reconciliation of net cash flow to movement in net debt	3				
Increase/(decrease) in cash in the period		316,923		(181,717)	
Cash outflow from decrease in debt		135,989		133,300	
Change in net debt resulting from cash flows			452,912		(48,417)
Movement in net debt in the period			452,912		(48,417)
Net debt at 1 January			(766,518)		(718,101)
Net debt at 31 December			(313,606)		(766,518)

The notes form part of these abbreviated accounts

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014**

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

	31.12.14	31.12.13
	£	£
Operating (loss)/profit	(6,181)	18,199
Depreciation charges	174,399	213,769
Increase in stocks	(166,207)	(180,107)
(Increase)/decrease in debtors	(221,681)	84,265
Increase in creditors	885,145	180,514
Difference between pension charge and cash contributions	(34,000)	(145,000)
Net cash inflow from operating activities	631,475	171,640

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

	31.12.14	31.12.13
	£	£
Returns on investments and servicing of finance		
Interest paid	(27,261)	(24,788)
Net cash outflow for returns on investments and servicing of finance	(27,261)	(24,788)
 Capital expenditure		
Purchase of tangible fixed assets	(151,302)	(171,290)
Net cash outflow for capital expenditure	(151,302)	(171,290)
 Financing		
Loan repayments in year	(135,989)	(133,300)
Net cash outflow from financing	(135,989)	(133,300)

WELEDA (U.K.) LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.14 £	Cash flow £	At 31.12.14 £
Net cash:			
Cash at bank and in hand	191,591	167,271	358,862
Bank overdraft	(150,149)	149,652	(497)
	<u>41,442</u>	<u>316,923</u>	<u>358,365</u>
Debt:			
Debts falling due within one year	(135,989)	(2,746)	(138,735)
Debts falling due after one year	(671,971)	138,735	(533,236)
	<u>(807,960)</u>	<u>135,989</u>	<u>(671,971)</u>
Total	<u>(766,518)</u>	<u>452,912</u>	<u>(313,606)</u>

The notes form part of these abbreviated accounts

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

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	- 10 - 50 years straight line
Plant, machinery and computer equipment	- 1 - 35 years straight line
Fixtures and fittings	- 3 - 13 years straight line
Motor vehicles	- 3 - 10 years straight line

The freehold property is a property with a market value of £1.25m, which is £0.42m lower than the net book value included in the financial statements. The directors consider the carrying value in the financial statements reflects the value in use to the company.

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 assets of the scheme are held separately from those of the company in independently administered funds. Contributions are charged in accordance with Financial Reporting Standard number 17, Retirement Benefits. The company also operates a defined contribution scheme, the cost of which is charged to the profit and loss account as incurred.

NOTES TO THE ABBREVIATED ACCOUNTS - continued-
FOR THE YEAR ENDED 31 DECEMBER 2014

2. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	31.12.14	31.12.13
	£	£
United Kingdom	5,565,101	5,264,762
Other EU Member States	500,482	473,659
Others	94,832	104,649
	<u>6,160,415</u>	<u>5,843,070</u>

3. STAFF COSTS

	31.12.14	31.12.13
	£	£
Wages and salaries	1,436,182	1,295,200
Social security costs	121,110	104,612
Other pension costs	343,086	192,483
	<u>1,900,378</u>	<u>1,592,295</u>

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

	31.12.14	31.12.13
Office and management	15	16
Production and sales	64	56
	<u>79</u>	<u>72</u>

4. OPERATING (LOSS)/PROFIT

The operating loss (2013 - operating profit) is stated after charging/(crediting):

	31.12.14	31.12.13
	£	£
Hire of plant and machinery	23,884	15,420
Depreciation - owned assets	174,399	213,769
Auditors' remuneration	25,250	22,504
Auditors' remuneration for non audit work	8,819	-
Foreign exchange differences	(76,612)	58,603
Operating lease rentals	49,799	43,608
Research and development	-	234,510
	<u>-</u>	<u>-</u>
Directors' remuneration	<u>-</u>	<u>-</u>

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014

5. INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.14	31.12.13
	£	£
Bank loan interest	21,261	18,788
Preference dividend	6,000	6,000
	<u>27,261</u>	<u>24,788</u>

6. TAXATION**Analysis of the tax charge/(credit)**

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

	31.12.14	31.12.13
	£	£
Current tax:		
Adjustment re previous years	-	(23,979)
Deferred tax	2,975	11,380
Tax on loss on ordinary activities	<u>2,975</u>	<u>(12,599)</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:

	31.12.14	31.12.13
	£	£
Loss on ordinary activities before tax	<u>(75,442)</u>	<u>(69,589)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2013 - 23%)	(15,843)	(16,005)
Effects of:		
Different tax rates	(372)	(1,397)
Expenses not allowable for tax	(13,278)	(17,432)
Capital allowances in excess of depreciation for year	(2,298)	295
Losses utilised in year	16,466	-
Unutilised tax losses generated in the year	<u>15,325</u>	<u>10,560</u>
Current tax charge/(credit)	<u>-</u>	<u>(23,979)</u>

Factors that may affect future tax charges

Unutilised trading losses of £116,727 are available to offset against future taxable profits. The value of the deferred tax asset in relation to the pension deficit of £2,308,000 (2013 - £1,915,000) would be £462,000 (2013 £402,000). A deferred tax asset has not been recognised as there is not sufficient evidence that there will be sufficient taxable profits in the foreseeable future from which the future reversal of the underlying timing difference can be deducted.

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014

7. TANGIBLE FIXED ASSETS

	Freehold property £	Plant, machinery and computer equipment £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 January 2014	3,063,672	1,167,358	324,834	3,500	4,559,364
Additions	-	146,382	4,920	-	151,302
At 31 December 2014	3,063,672	1,313,740	329,754	3,500	4,710,666
DEPRECIATION					
At 1 January 2014	1,285,073	793,674	257,497	583	2,336,827
Charge for year	100,440	55,420	17,566	973	174,399
At 31 December 2014	1,385,513	849,094	275,063	1,556	2,511,226
NET BOOK VALUE					
At 31 December 2014	1,678,159	464,646	54,691	1,944	2,199,440
At 31 December 2013	1,778,599	373,684	67,337	2,917	2,222,537

8. 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.

9. STOCKS

	31.12.14 £	31.12.13 £
Raw materials and consumables	312,305	301,111
Work-in-progress	38,524	33,032
Finished goods	1,024,063	874,542
	<u>1,374,892</u>	<u>1,208,685</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.14 £	31.12.13 £
Trade debtors	1,206,486	1,013,821
Other debtors	19,751	-
Amounts due from group undertakings	34,823	10,213
Corporation tax	23,979	23,979
Prepayments	49,616	64,961
	<u>1,334,655</u>	<u>1,112,974</u>

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.14	31.12.13
	£	£
Bank loans and overdrafts (see note 13)	139,232	286,138
Trade creditors	410,770	134,466
Other taxes and social security	237,841	216,235
Other creditors	30,470	37,408
Amounts due to group undertakings	1,205,289	639,081
Accrued expenses	202,107	174,142
	<u>2,225,709</u>	<u>1,487,470</u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.12.14	31.12.13
	£	£
Bank loans (see note 13)	433,236	571,971
Preference shares (see note 13)	100,000	100,000
	<u>533,236</u>	<u>671,971</u>

13. LOANS

An analysis of the maturity of loans is given below:

	31.12.14	31.12.13
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	497	150,149
Bank loan	138,735	135,989
	<u>139,232</u>	<u>286,138</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>141,535</u>	<u>138,735</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>291,701</u>	<u>433,236</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Preference shares	<u>100,000</u>	<u>100,000</u>

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014

13. LOANS - continued

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:	31.12.14 £	31.12.13 £
100,000	6% redeemable cumulative preference	£1	<u>100,000</u>	<u>100,000</u>

14. OPERATING LEASE COMMITMENTS

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

	Other operating leases	
	31.12.14 £	31.12.13 £
Expiring:		
Within one year	8,818	5,660
Between one and five years	19,681	33,189
In more than five years	<u>15,270</u>	<u>15,270</u>
	<u>43,769</u>	<u>54,119</u>

15. SECURED DEBTS

The following secured debts are included within creditors:

	31.12.14 £	31.12.13 £
Bank loans and overdrafts	<u>572,468</u>	<u>858,109</u>

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

The parent company, Weleda AG, has a charge over all remaining assets.

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014

16. PROVISIONS FOR LIABILITIES

	31.12.14 £	31.12.13 £
Deferred tax		
Accelerated capital allowances	77,144	61,492
Other timing differences	(5,453)	(6,387)
Losses	(24,513)	(10,902)
	<u>47,178</u>	<u>44,203</u>
		Deferred tax
		£
Balance at 1 January 2014		44,203
Charge to profit&loss account		2,975
		<u>47,178</u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid: Number:	Class:	Nominal value: £1	31.12.14 £	31.12.13 £
1,395,000	Ordinary		<u>1,395,000</u>	<u>1,395,000</u>

18. RESERVES

	Profit and loss account £	Share premium £	Totals £
At 1 January 2014	(1,497,857)	720,000	(777,857)
Deficit for the year	(78,417)		(78,417)
Actuarial gain / (loss) on pension scheme	(385,000)	-	(385,000)
At 31 December 2014	<u>(1,961,274)</u>	<u>720,000</u>	<u>(1,241,274)</u>
Profit and loss account excluding pension liability	346,726		
Pension deficit	(2,308,000)		
Profit and loss account	<u>(1,961,274)</u>		

19. EMPLOYEE BENEFIT OBLIGATIONS

The Company participates in a defined benefit pension scheme in the UK. A full actuarial valuation was carried out as at 31 March 2010. The results of that valuation have been projected to 31 December 2013 by a qualified independent actuary.

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014

19. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	31.12.14	31.12.13
	£	£
Present value of funded obligations	(5,220,000)	(4,772,000)
Fair value of plan assets	2,912,000	2,857,000
	<u>(2,308,000)</u>	<u>(1,915,000)</u>
Present value of unfunded obligations	-	-
Deficit	<u>(2,308,000)</u>	<u>(1,915,000)</u>
Net liability	<u><u>(2,308,000)</u></u>	<u><u>(1,915,000)</u></u>

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	31.12.14	31.12.13
	£	£
Current service cost	-	-
Interest cost	210,000	194,000
Expected return	(168,000)	(131,000)
Past service cost	-	-
	<u>42,000</u>	<u>63,000</u>
Actual return on plan assets	<u>226,000</u>	<u>298,000</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.12.14	31.12.13
	£	£
Opening defined benefit obligation	4,772,000	4,711,000
Interest cost	210,000	194,000
Actuarial losses/(gains)	443,000	43,000
Benefits paid	(205,000)	(176,000)
	<u>5,220,000</u>	<u>4,772,000</u>

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014

19. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	Defined benefit pension plans	
	31.12.14	31.12.13
	£	£
Opening fair value of scheme assets	2,857,000	2,590,000
Contributions by employer	286,000	269,000
Expected return	168,000	131,000
Actuarial gains/(losses)	58,000	167,000
Benefits paid	(205,000)	(176,000)
Administrative expenses	(252,000)	(124,000)
	<u>2,912,000</u>	<u>2,857,000</u>

The amounts recognised in the statement of recognised gains and losses are as follows:

	Defined benefit pension plans	
	31.12.14	31.12.13
	£	£
Actuarial gains/(losses)	(385,000)	124,000
	<u>(385,000)</u>	<u>124,000</u>
Cumulative amount of actuarial gains/(losses)	<u>(1,176,000)</u>	<u>(791,000)</u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	31.12.14	31.12.13
Equities	64%	65%
Bonds	16%	18%
Index linked	6%	4%
Property	10%	10%
Cash	4%	3%
	<u>100%</u>	<u>100%</u>

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	31.12.14	31.12.13
Discount rate	3.60%	4.50%
Expected return on scheme assets	4.90%	6.00%
Future pension increases	1.90%	2.30%

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014

19. EMPLOYEE BENEFIT OBLIGATIONS - continued

Assumed life expectancy on retirement at age 65:

	2014	2013
Retiring today - males	21.1	21.0
Retiring today - females	23.7	23.7
Retiring in 15 years - males	22.0	22.0
Retiring in 15 years - females	24.6	24.6

Amounts for the current and previous four periods are as follows:

	31.12.14	31.12.13	31.12.12	31.12.11	31.12.10
	£	£	£	£	£
Defined benefit obligation	(5,220,000)	(4,772,000)	(4,711,000)	(4,250,000)	-
Fair value of scheme assets	2,912,000	2,857,000	2,590,000	2,403,000	-
Deficit	(2,308,000)	(1,915,000)	(2,121,000)	(1,847,000)	-
Experience adjustments on scheme liabilities	(443,000)	(43,000)	(436,000)	(346,000)	-
Experience adjustments on scheme assets	58,000	167,000	69,000	(202,000)	-

No figures are shown above for 2010 as it was not possible to determine the company's share of assets or liabilities of this multi-employer scheme, and was therefore accounted for as a defined contribution scheme.

The company has a commitment to pay £185,000 pa increasing by 5% compound for a period of 16 years from 1 January 2015 to 31 December 2028.

The company expects to contribute £295,000 in 2015 (including £110,000 towards the scheme's Pension Protection Fund levy).

Negotiations are currently ongoing with a view to paying off the deficit on the pension scheme in full. The holding company have indicated that they will make finance available to the company to settle the liability should negotiations be successful. The current indications are that the estimated buy out liability will be approximately £6.3m.

Defined contribution scheme

The company also operates a defined contribution pension scheme. This pension cost is charged to the profit and loss account as incurred. The costs included in the profit and loss account relating to this scheme amount to £62,981 (2013: £68,034).

20. CONTINGENT LIABILITIES

The company has indemnified its bankers for the sum of up to £5,500 (2012: £5,500) in respect of VAT and duty deferment bonds.

21. RELATED PARTY DISCLOSURES

Weleda AG

Management fees of £170,395 (2013: £283,075) were paid by Weleda UK Limited during the year.

	31.12.14	31.12.13
	£	£
Amount due to related party at the balance sheet date	59,378	20,335

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014

21. RELATED PARTY DISCLOSURES - continued

Weleda AG Germany

Weleda UK Limited purchased goods and services to the value of £1,732,043 (2013: £1,707,786) during the year.

	31.12.14	31.12.13
	£	£
Amount due to related party at the balance sheet date	<u>1,139,050</u>	<u>617,070</u>

Weleda Sweden

Weleda UK Limited sold goods and services to the value of £8,799 (2013: £17,881) during the year.

Weleda Benelux SE

Weleda UK Limited sold goods and services to the value of £13,446 (2013: £27,292) during the year.

Weleda France

Weleda UK Limited purchased goods and services to the value of 8,306 (2013: 25,948) during the year.

Weleda New Zealand

Weleda UK Limited sold goods and services to the value of £13,164 (2013: £29,107) during the year.

Weleda Australia

Weleda UK Limited sold goods and services to the value of £nil (2013: £16,861) during the year.

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.14	31.12.13
	£	£
Loss for the financial year	(78,417)	(56,990)
Other recognised gains and losses relating to the year (net)	<u>(385,000)</u>	<u>124,000</u>
Net (reduction)/addition to shareholders' funds	(463,417)	67,010
Opening shareholders' funds	<u>617,143</u>	<u>550,133</u>
Closing shareholders' funds	<u>153,726</u>	<u>617,143</u>

23. 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.