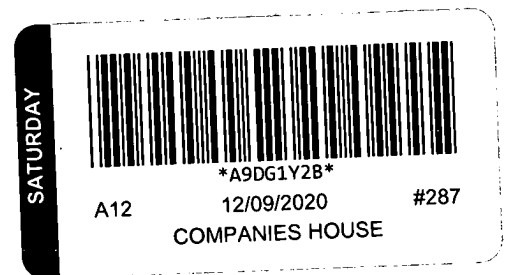


REGISTERED NUMBER: 00203230 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019  
FOR  
WELEDA (U.K.) LIMITED**



Haines Watts  
Chartered Accountants & Statutory Auditor  
10 Stadium Business Court  
Millennium Way  
Pride Park  
Derby  
DE24 8HP

**WELEDA (U.K.) LIMITED (REGISTERED NUMBER: 00203230)**

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FOR THE YEAR ENDED 31 DECEMBER 2019**

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**WELEDA (U.K.) LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

<b>DIRECTORS:</b>	M G B Volonte R Keen
<b>REGISTERED OFFICE:</b>	Heanor Road Ilkeston Derbyshire DE7 8DR
<b>REGISTERED NUMBER:</b>	00203230 (England and Wales)
<b>AUDITORS:</b>	Haines Watts Chartered Accountants & Statutory Auditor 10 Stadium Business Court Millennium Way Pride Park Derby DE24 8HP
<b>SOLICITORS:</b>	Flint Bishop St Michael's Court St Michael's Lane Derby DE1 3HQ

# WELEDA (U.K.) LIMITED (REGISTERED NUMBER: 00203230)

## STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their strategic report for the year ended 31 December 2019.

### PRINCIPAL ACTIVITY

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

### REVIEW OF THE 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 anthroposophical and homeopathic medicines, and natural organic beauty products. The company's sales were affected by a fall in UK consumer confidence resulting from Brexit and wider political uncertainty both in terms of a slowdown in consumer spending but also from major customers de-risking by reducing their stock levels. The Pharma business (+11%) felt the impact of some customers bulk buying as a protective measure against Brexit. Margins were only slightly affected by a decline in sterling against the Euro but more materially by an adverse mix effect of selling increasingly more through lower margin retailers. Overheads have been managed and remain under control.

### KEY PERFORMANCE INDICATORS

The key financial performance indicators of turnover, gross margin and return on capital employed are shown below:

	2019	2018
Turnover £	9,611,726	9,055,391
Gross profit %	45	49
Net profit/(loss) before tax %	1.4	2.3
ROCE %	8	16

\*Operating profit/(loss) as percentage of share capital and share premium

Sales have increased by 6% compared to a CAGR over the past 4 years of 8%

### PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk affecting the company is the Brexit impact on customer confidence, exchange rate, tariffs and stock delays which where possible is being managed.

The company's liquidity risk is mitigated by loan facilities at preferential rates from the Group company.

Another risk is the effect of COVID-19. Our priorities in 2020 have been to protect our staff, protect the business and to keep our customers supplied. Covid-19 has changed the mix of our customers and product sales in 2020, but overall sales are strong underpinned by skin products, key pharma products and direct channels. We have created a COVID safe working environment and where possible staff work from home. To recognise the potential adverse impacts during the remainder of the year the business is furloughing staff as appropriate, has cancelled non-essential activity and has protected cashflow by deferring VAT.

### ON BEHALF OF THE BOARD:

  
.....  
M G B Volonte, Director

Date: 12 August 2020

**WELEDA (U.K.) LIMITED (REGISTERED NUMBER: 00203230)**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors present their report with the financial statements of the company for the year ended 31 December 2019.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2019.

**DIRECTORS**

R Keen has held office during the whole of the period from 1 January 2019 to the date of this report.

Other changes in directors holding office are as follows:

A O Sommer - resigned 27 September 2019

M G B Volonte - appointed 17 October 2019

**EVENTS AFTER THE END OF THE REPORTING PERIOD**

There have been no significant events affecting the Company since the year end.

**DISCLOSURE OF INFORMATION IN THE STRATEGIC REPORT**

The matters required to be disclosed under SI (2008) 410 Sch 7 are contained within the Strategic Report as is applicable in accordance with s414C(11) of the Companies Act 2006.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, 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.

**AUDITORS**

The auditors, Haines Watts, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

  
.....  
M G B Volonte - Director

Date: 12 August 2020

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WELEDA (U.K.) LIMITED**

### **Opinion**

We have audited the financial statements of Weleda (U.K.) Limited (the 'company') for the year ended 31 December 2019 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and wider economy. The Directors' view on the impact of COVID-19 is disclosed in the Strategic Report.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
WELEDA (U.K.) LIMITED**

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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.

**Responsibilities of directors**

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, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.


**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 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.

  
James Liptrott (Senior Statutory Auditor)  
for and on behalf of Haines Watts  
Chartered Accountants & Statutory Auditor  
10 Stadium Business Court  
Millennium Way  
Pride Park  
Derby  
DE24 8HP

Date: 

**WELEDA (U.K.) LIMITED (REGISTERED NUMBER: 00203230)**

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £	2018 £
<b>TURNOVER</b>	4	<b>9,611,726</b>	9,055,391
Cost of sales		<u>5,305,723</u>	<u>4,646,362</u>
<b>GROSS PROFIT</b>		<b>4,306,003</b>	4,409,029
Administrative expenses		<u>4,108,179</u>	<u>4,083,681</u>
		<b>197,824</b>	325,348
Other operating income		<u>26,123</u>	<u>18,677</u>
<b>OPERATING PROFIT</b>		<b>223,947</b>	344,025
Interest receivable and similar income		<u>258</u>	<u>18</u>
		<b>224,205</b>	344,043
Interest payable and similar expenses	6	<u>86,280</u>	<u>138,392</u>
<b>PROFIT BEFORE TAXATION</b>	7	<b>137,925</b>	205,651
Tax on profit	9	<u>(1,000)</u>	<u>1,000</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><b>138,925</b></u>	<u><b>204,651</b></u>

The notes form part of these financial statements



**WELEDA (U.K.) LIMITED (REGISTERED NUMBER: 00203230)**

**OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2019**

<b>Notes</b>	<b>2019 £</b>	<b>2018 £</b>
<b>PROFIT FOR THE YEAR</b>	<b>138,925</b>	<b>204,651</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Remeasurement of the net defined benefit plan	<b>(1,312,000)</b>	<b>(199,000)</b>
Fair value adjustment of loans from group undertakings	<b>83,618</b>	<b>266,059</b>
Income tax relating to components of other comprehensive income	<b>-</b>	<b>-</b>
	<hr/>	<hr/>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>	<b>(1,228,382)</b>	<b>67,059</b>
	<hr/>	<hr/>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>(1,089,457)</b>	<b>271,710</b>
	<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements

**WELEDA (U.K.) LIMITED (REGISTERED NUMBER: 00203230)**

**STATEMENT OF FINANCIAL POSITION  
31 DECEMBER 2019**

	Notes	£	2019 £	£	2018 £
<b>FIXED ASSETS</b>					
Intangible assets	10		214,013		132,056
Tangible assets	11		1,828,221		1,892,818
Investments	12		1,594		1,594
			<u>2,043,828</u>		<u>2,026,468</u>
<b>CURRENT ASSETS</b>					
Stocks	13	2,239,192		2,044,906	
Debtors	14	2,001,797		1,555,568	
Cash at bank		345,875		357,433	
		<u>4,586,864</u>		<u>3,957,907</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	15	2,587,661		2,151,936	
<b>NET CURRENT ASSETS</b>			<u>1,999,203</u>		<u>1,805,971</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>4,043,031</u>		<u>3,832,439</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	16		(4,854,851)		(3,761,802)
<b>PENSION ASSET</b>	22		-		207,000
<b>NET (LIABILITIES)/ASSETS</b>			<u>(811,820)</u>		<u>277,637</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	20		1,395,000		1,395,000
Share premium	21		720,000		720,000
Capital redemption reserve	21		294,351		291,013
Retained earnings	21		(3,221,171)		(2,128,376)
<b>SHAREHOLDERS' FUNDS</b>			<u>(811,820)</u>		<u>277,637</u>

The financial statements were approved by the Board of Directors and authorised for issue on 12 May 2020 and were signed on its behalf by:

  
M G B Volonte - Director

The notes form part of these financial statements

**WELEDA (U.K.) LIMITED (REGISTERED NUMBER: 00203230)**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Share premium £</b>	<b>Capital redemption reserve £</b>	<b>Total equity £</b>
<b>Balance at 1 January 2018</b>	1,395,000	(2,266,419)	720,000	157,346	5,927
<b>Changes in equity</b>					
Profit for the year	-	204,651	-	-	204,651
Other comprehensive income	-	(66,608)	-	133,667	67,059
Total comprehensive income	-	138,043	-	133,667	271,710
<b>Balance at 31 December 2018</b>	1,395,000	(2,128,376)	720,000	291,013	277,637
<b>Changes in equity</b>					
Profit for the year	-	138,925	-	-	138,925
Other comprehensive income	-	(1,231,720)	-	3,338	(1,228,382)
Total comprehensive income	-	(1,092,795)	-	3,338	(1,089,457)
<b>Balance at 31 December 2019</b>	1,395,000	(3,221,171)	720,000	294,351	(811,820)

The notes form part of these financial statements

**WELEDA (U.K.) LIMITED (REGISTERED NUMBER: 00203230)**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>Notes</b>	<b>2019 £</b>	<b>2018 £</b>
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(1,236,289)	(2,541,444)
Interest paid		(6,000)	(6,000)
<b>Net cash from operating activities</b>		<u>(1,242,289)</u>	<u>(2,547,444)</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		(129,747)	(132,056)
Purchase of tangible fixed assets		(90,106)	(149,332)
Purchase of fixed asset investments		-	(1,594)
Sale of tangible fixed assets		6,500	837
Interest received		258	18
<b>Net cash from investing activities</b>		<u>(213,095)</u>	<u>(282,127)</u>
<b>Cash flows from financing activities</b>			
Proceeds from loans from group		1,443,826	2,472,790
<b>Net cash from financing activities</b>		<u>1,443,826</u>	<u>2,472,790</u>
<b>Decrease in cash and cash equivalents</b>		<u>(11,558)</u>	<u>(356,781)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	357,433	714,214
<b>Cash and cash equivalents at end of year</b>	2	<u><u>345,875</u></u>	<u><u>357,433</u></u>

The notes form part of these financial statements

**WELEDA (U.K.) LIMITED (REGISTERED NUMBER: 00203230)**

**NOTES TO THE STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Profit before taxation	<b>137,925</b>	205,651
Depreciation charges	<b>201,444</b>	186,120
Profit on disposal of fixed assets	<b>(4,535)</b>	(837)
Net defined benefit pension costs	<b>(1,105,000)</b>	(2,275,000)
Accrued (income)/expenses	<b>(22,138)</b>	(330,571)
Finance costs	<b>86,280</b>	138,392
Finance income	<b>(258)</b>	(18)
	<b>(706,282)</b>	(2,076,263)
Increase in stocks	<b>(194,286)</b>	(562,656)
(Increase)/decrease in trade and other debtors	<b>(446,229)</b>	63,070
Increase in trade and other creditors	<b>110,508</b>	34,405
<b>Cash generated from operations</b>	<b>(1,236,289)</b>	(2,541,444)

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

**Year ended 31 December 2019**

	<b>31.12.19</b>	<b>1.1.19</b>
	<b>£</b>	<b>£</b>
Cash and cash equivalents	<b>345,875</b>	<b>357,433</b>

**Year ended 31 December 2018**

	<b>31.12.18</b>	<b>1.1.18</b>
	<b>£</b>	<b>£</b>
Cash and cash equivalents	<b>357,433</b>	<b>714,214</b>

**3. ANALYSIS OF CHANGES IN NET FUNDS**

	<b>At 1.1.19</b>	<b>Cash flow</b>	<b>At 31.12.19</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Net cash</b>			
Cash at bank	<b>357,433</b>	<b>(11,558)</b>	<b>345,875</b>
	<b>357,433</b>	<b>(11,558)</b>	<b>345,875</b>
<b>Debt</b>			
Debts falling due after 1 year	<b>(100,000)</b>	<b>-</b>	<b>(100,000)</b>
	<b>(100,000)</b>	<b>-</b>	<b>(100,000)</b>
<b>Total</b>	<b>257,433</b>	<b>(11,558)</b>	<b>245,875</b>

The notes form part of these financial statements

# **WELEDA (U.K.) LIMITED (REGISTERED NUMBER: 00203230)**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

### **1. STATUTORY INFORMATION**

Weleda (U.K.) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

### **2. STATEMENT OF COMPLIANCE**

Weleda (U.K.) Limited, is a limited company incorporated in England. The registered office is Weleda, Heanor Road, Ilkeston, Derbyshire, DE7 8DR.

The financial statements have been prepared in compliance with FRS102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

The accounting policies below have been consistently applied to all years presented unless otherwise stated.

### **3. ACCOUNTING POLICIES**

#### **BASIS OF PREPARING THE FINANCIAL STATEMENTS**

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 and loss.

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

#### **GOING CONCERN**

These accounts are prepared on a going concern basis, which assumes the company will continue in operational existence for the foreseeable future. The company's ability to meet future working capital requirement and therefore continue as a going concern is dependent upon the continued support of its parent. The directors have been given a letter of continued support from Weleda A.G. confirming their intentions for a period not less than 12 months from the approval of these accounts.

#### **CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

The company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimate these factors in determining the net pension obligations in the statement of financial position. The assumptions reflect historical experience and current trends. See note 19 for the disclosures relating to the defined benefit pension scheme.

The company holds promotional stock items to be distributed for free of charge after the year-end. Management have considered the future economic benefits of these items through review of historic distributions of free stock.

## **WELEDA (U.K.) LIMITED (REGISTERED NUMBER: 00203230)**

### **NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **3. ACCOUNTING POLICIES - continued**

##### **TURNOVER**

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.

##### **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, over the useful economic life of that asset as follows:

Computer Software - 3 - 5 years straight line

##### **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.

The company capitalises website development costs as a tangible asset, no depreciation is incurred on such costs until the website becomes live.

##### **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:

Freehold property - 10 - 50 years straight line  
Plant and machinery - 4 - 10 years straight line  
Fixtures and fittings - 3 - 5 years straight line  
Motor vehicles - 2 - 3 years straight line  
Computer Equipment - 3 - 5 years straight line

##### **STOCKS**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell, after making due allowances for obsolete and slow moving items. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finished goods includes sample stock which is held for distribution and will be provided as promotional material for free of charge after the year-end. Stock held for distribution is measured at the lower of cost adjusted for any loss of service potential and replacement cost. On distribution of such stock the value of stock is recognised as a marketing cost within administration expenses.

Cost is determined on a first-in, first-out (FIFO) basis.

## **WELEDA (U.K.) LIMITED (REGISTERED NUMBER: 00203230)**

### **NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **3. ACCOUNTING POLICIES - continued**

##### **FINANCIAL INSTRUMENTS**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at their transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

Preference shares, which result in fixed returns to the holder or are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the profit and loss account as interest expense.

##### **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.

##### **DEFERRED TAX**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

##### **FOREIGN CURRENCIES**

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

##### **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.



## **WELEDA (U.K.) LIMITED (REGISTERED NUMBER: 00203230)**

### **NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **3. ACCOUNTING POLICIES - continued**

##### **DEFINED BENEFIT PLANS**

The company recognizes a defined net benefit pension asset or liability in the statement of financial position as the net total of the present value of its obligations and the fair value of plan assets out of which the obligations are to be settled. The defined benefit liability is measured on a discounted present value basis using a rate determined by reference to market yields at the reporting date on high quality corporate bonds. Defined benefit obligations and the related expenses are measured using the projected unit credit method. Plan surpluses are recognised as a defined benefit asset only to the extent that the surplus is recoverable either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit asset or liability arising from employee service are recognised in profit or loss as a current service cost where it relates to services in the current period and as a past service cost where it relates to services in prior periods. Costs relating to plan introductions, benefit changes, curtailments and settlements are recognised in profit or loss in the period in which they occur.

Net interest is determined by multiplying the net defined benefit liability by the discount rate, both as determined at the start of the reporting period, taking account of any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. Net interest is recognised in profit or loss.

##### **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.

##### **INVESTMENTS**

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

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

##### **INVESTMENTS IN ASSOCIATES**

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

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

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

##### **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.

**WELEDA (U.K.) LIMITED (REGISTERED NUMBER: 00203230)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**4. TURNOVER**

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

An analysis of turnover by class of business is given below:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Sale of goods	<b>9,611,726</b>	9,055,391
	<u><b>9,611,726</b></u>	<u>9,055,391</u>

An analysis of turnover by geographical market is given below:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
United Kingdom	<b>9,299,726</b>	8,770,021
Europe	<b>211,498</b>	217,227
Rest of World	<b>100,502</b>	68,143
	<u><b>9,611,726</b></u>	<u>9,055,391</u>

The turnover is attributable to the one principal activity of the company.

**5. EMPLOYEES AND DIRECTORS**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>1,863,818</b>	1,734,616
Social security costs	<b>175,324</b>	149,851
Other pension costs	<b>156,325</b>	236,924
	<u><b>2,195,467</b></u>	<u>2,121,391</u>

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

	<b>2019</b>	<b>2018</b>
Production and sales	<b>62</b>	59
Office and management	<b>13</b>	13
	<u><b>75</b></u>	<u>72</u>

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Directors' remuneration	<u><b>-</b></u>	<u>-</u>

**6. INTEREST PAYABLE AND SIMILAR EXPENSES**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Dividends paid on shares classed as debt	<b>6,000</b>	6,000
Unwinding of discount on provisions	<b>80,280</b>	132,392
	<u><b>86,280</b></u>	<u>138,392</u>

**WELEDA (U.K.) LIMITED (REGISTERED NUMBER: 00203230)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**7. PROFIT BEFORE TAXATION**

Operating profit or loss is stated after charging:

	2019	2018
	£	£
Depreciation of tangible assets	201,444	186,120
(Gains)/loss on disposal of tangible assets	(4,535)	(837)
Cost of stocks recognised as an expense	3,326,069	2,974,652
Impairment of trade debtors	46,156	(649)
Foreign exchange differences	(161,492)	61,658
Hire of plant and machinery	5,025	4,334
Operating lease rentals	43,537	56,802
Impairment of stock included in cost of sales	68,363	58,604
Stock recognised as a marketing expense	171,883	197,332
	<u>201,444</u>	<u>186,120</u>

**8. AUDITORS' REMUNERATION**

	2019	2018
	£	£
Fees payable for the audit of the financial statements	20,950	18,013
	<u>20,950</u>	<u>18,013</u>

**9. TAXATION**

**Analysis of the tax (credit)/charge**

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

	2019	2018
	£	£
Current tax:		
UK corporation tax	-	1,000
(Over)/Under provision	(1,000)	-
	<u>(1,000)</u>	<u>-</u>
Tax on profit	(1,000)	1,000
	<u>(1,000)</u>	<u>1,000</u>

UK corporation tax was charged at 19% in 2018.

**RECONCILIATION OF TOTAL TAX (CREDIT)/CHARGE INCLUDED IN PROFIT AND LOSS**

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

	2019	2018
	£	£
Profit before tax	137,925	205,651
	<u>137,925</u>	<u>205,651</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	26,206	39,074
Effects of:		
Expenses not deductible for tax purposes	(11,900)	(18,470)
Depreciation in excess of capital allowances	4,002	10,253
Utilisation of tax losses	(18,308)	(29,857)
Over/(under) provision in previous years	(1,000)	-
	<u>(1,000)</u>	<u>-</u>
Total tax (credit)/charge	(1,000)	1,000
	<u>(1,000)</u>	<u>1,000</u>

**WELEDA (U.K.) LIMITED (REGISTERED NUMBER: 00203230)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**9. TAXATION - continued**

**Tax effects relating to effects of other comprehensive income**

	<b>Gross £</b>	<b>Tax £</b>	<b>2019 Net £</b>
Remeasurement of the net defined benefit plan	(1,312,000)	-	(1,312,000)
Fair value adjustment of loans from group undertakings	<u>83,618</u>	-	<u>83,618</u>
	<u><u>(1,228,382)</u></u>	<u><u>-</u></u>	<u><u>(1,228,382)</u></u>

	<b>Gross £</b>	<b>Tax £</b>	<b>2018 Net £</b>
Remeasurement of the net defined benefit plan	(199,000)	-	(199,000)
Fair value adjustment of loans from group undertakings	<u>266,059</u>	-	<u>266,059</u>
	<u><u>67,059</u></u>	<u><u>-</u></u>	<u><u>67,059</u></u>

**10. INTANGIBLE FIXED ASSETS**

	<b>Computer software £</b>
<b>COST</b>	
At 1 January 2019	<u>132,056</u>
Additions	<u>129,747</u>
At 31 December 2019	<u>261,803</u>
<b>AMORTISATION</b>	
Amortisation for year	<u>47,790</u>
At 31 December 2019	<u>47,790</u>
<b>NET BOOK VALUE</b>	
At 31 December 2019	<u>214,013</u>
At 31 December 2018	<u><u>132,056</u></u>

**WELEDA (U.K.) LIMITED (REGISTERED NUMBER: 00203230)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**11. TANGIBLE FIXED ASSETS**

	Freehold land £	Plant and machinery £	Fixtures and fittings £
<b>COST</b>			
At 1 January 2019	3,151,506	692,031	392,156
Additions	51,937	9,017	6,451
Disposals	-	-	-
At 31 December 2019	<u>3,203,443</u>	<u>701,048</u>	<u>398,607</u>
<b>DEPRECIATION</b>			
At 1 January 2019	1,611,752	572,641	335,903
Charge for year	54,514	21,518	11,545
Eliminated on disposal	-	-	-
At 31 December 2019	<u>1,666,266</u>	<u>594,159</u>	<u>347,448</u>
<b>NET BOOK VALUE</b>			
At 31 December 2019	<u>1,537,177</u>	<u>106,889</u>	<u>51,159</u>
At 31 December 2018	<u>1,539,754</u>	<u>119,390</u>	<u>56,253</u>

	Motor vehicles £	Equipment £	Totals £
<b>COST</b>			
At 1 January 2019	35,214	829,649	5,100,556
Additions	-	22,701	90,106
Disposals	(11,995)	-	(11,995)
At 31 December 2019	<u>23,219</u>	<u>852,350</u>	<u>5,178,667</u>
<b>DEPRECIATION</b>			
At 1 January 2019	25,480	661,962	3,207,738
Charge for year	6,223	59,854	153,654
Eliminated on disposal	(10,946)	-	(10,946)
At 31 December 2019	<u>20,757</u>	<u>721,816</u>	<u>3,350,446</u>
<b>NET BOOK VALUE</b>			
At 31 December 2019	<u>2,462</u>	<u>130,534</u>	<u>1,828,221</u>
At 31 December 2018	<u>9,734</u>	<u>167,687</u>	<u>1,892,818</u>

**12. FIXED ASSET INVESTMENTS**

	Other investments other than loans £
<b>COST</b>	
At 1 January 2019 and 31 December 2019	<u>1,594</u>
<b>NET BOOK VALUE</b>	
At 31 December 2019	<u>1,594</u>
At 31 December 2018	<u>1,594</u>

**WELEDA (U.K.) LIMITED (REGISTERED NUMBER: 00203230)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**13. STOCKS**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Raw materials and consumables	<b>365,351</b>	392,839
Work-in-progress	<b>9,814</b>	8,272
Finished goods and goods for resale	<b>1,864,027</b>	1,643,795
	<b><u>2,239,192</u></b>	<b><u>2,044,906</u></b>

Stocks are stated after provisions for impairment of £4,800 (2018: £12,430).

There is no material difference between the book value of stock and their replacement cost.

Finished goods includes £69,075 (2018: £84,576) of marketing stock that will be distributed free of charge after the year-end.

**14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>1,750,033</b>	1,288,381
Amounts owed by group undertakings	<b>15,720</b>	34,365
Other debtors	<b>9</b>	9
Prepayments and accrued income	<b>236,035</b>	232,813
	<b><u>2,001,797</u></b>	<b><u>1,555,568</u></b>

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>292,923</b>	249,528
Amounts owed to group undertakings	<b>1,505,286</b>	1,156,931
Tax	<b>-</b>	1,000
Social security and other taxes	<b>370,156</b>	320,282
Other creditors	<b>171,484</b>	154,245
Accruals and deferred income	<b>247,812</b>	269,950
	<b><u>2,587,661</u></b>	<b><u>2,151,936</u></b>

**16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Preference shares (see note 17)	<b>100,000</b>	100,000
Amounts owed to group undertakings	<b>4,754,851</b>	3,661,802
	<b><u>4,854,851</u></b>	<b><u>3,761,802</u></b>

Included within creditors: amounts falling due after more than five years is an amount of £100,000 (2018: £100,000) in respect of preference shares repayable otherwise than by instalments.

**17. LOANS**

An analysis of the maturity of loans is given below:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Amounts falling due between two and five years:		
Preference shares	<b><u>100,000</u></b>	<b><u>100,000</u></b>

**WELEDA (U.K.) LIMITED (REGISTERED NUMBER: 00203230)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**17. LOANS - continued**

Details of shares shown as liabilities are as follows:

**Allotted, issued and fully paid:**

<b>Number:</b>	<b>Class:</b>	<b>Nominal value:</b>	<b>2019 £</b>	<b>2018 £</b>
100,000	Preference	£1	<u><u>100,000</u></u>	<u><u>100,000</u></u>

**18. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	<b>2019 £</b>	<b>2018 £</b>
Within one year	<b>10,720</b>	14,804
Between one and five years	<b>14,490</b>	15,173
In more than five years	<b>4,590</b>	-
	<u><u><b>29,800</b></u></u>	<u><u>29,977</u></u>

**19. FINANCIAL INSTRUMENTS**

Note 3 to these financial statements details the accounting policy for financial instruments.

The company has the following financial instruments measured at amortised cost:

	<b>2019 £</b>	<b>2018 £</b>
Financial assets that are debt instruments		
Trade debtors	1,750,033	1,288,381
Other debtors	9	9
Amounts owed by group undertakings	15,720	34,365
Financial liabilities		
Trade creditors	292,923	249,528
Amounts owed to group undertakings	1,505,286	1,156,931
Other creditors	419,296	424,195
Preference shares	100,000	100,000

The total interest income and interest expense for financial assets and financial liabilities that are not measured at fair value through the income statement is £nil (2018: £nil).

The company has the following financial instruments measured at fair value (being discounted present value):

	<b>2019 £</b>	<b>2018 £</b>
Financial liabilities measured at fair value		
Amounts owed to group undertakings	4,754,851	3,661,802

**WELEDA (U.K.) LIMITED (REGISTERED NUMBER: 00203230)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**20. CALLED UP SHARE CAPITAL**

**Issued, called up and fully paid**

	2019		2018	
	No.	£	No.	£
<b>Amounts presented in equity:</b>				
Ordinary shares of £1 each	<u>1,395,000</u>	<u>1,395,000</u>	<u>1,395,000</u>	<u>1,395,000</u>
<b>Amounts presented in liabilities:</b>				
Preference shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

Included in equity is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

Included in creditors falling due after more than five years are 100,000 (2018: 100,000) allotted, issued and fully paid 6% redeemable cumulative £1 preference shares.

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

- i) entitle title 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 of 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 6 months in arrears or if the business of the meeting includes a resolution to vary the rights attaching to the preference shares.

**21. RESERVES**

Profit and loss account - This reserve records retained earnings and accumulated losses.

Capital contribution reserve - In accordance with FRS102 if a financial instrument constitutes a finance transaction it is measured at present value. This reserve represents the deemed capital contribution resulting from the intercompany loans discounted to present value.



**WELEDA (U.K.) LIMITED (REGISTERED NUMBER: 00203230)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**22. EMPLOYEE BENEFIT OBLIGATIONS**

**Defined benefit plans**

The Company is the sole Participating Employer in the Weleda Section of the Mercury Provident Pension Scheme (the Scheme), a UK registered trust based multi-employer pension scheme that provides defined benefits. Pension benefits are linked to the members' final pensionable salaries and service at their retirement (or date of leaving if earlier). The Trustee is responsible for running the Scheme in accordance with the Scheme's Trust Deed and Rules, which sets out their powers. The Trustee of the Scheme is required to act in the best interests of the beneficiaries of the Scheme.

There are two categories of pension scheme members:

- Deferred members: members who have left pensionable service with deferred benefits which have to yet come into payment.
- Pensioner members: in receipt of pension.

The Trustee is required to carry out an actuarial valuation every 3 years. The Company's contribution requirement has been reassessed as part of the actuarial valuation currently being carried out as at 29 December 2018.

In accordance with the "Segregation Agreement and Funding Guarantee relating to the Mercury Provident Pension Scheme" (the Weleda Segregation Agreement) dated 2 March 2016, the Company is due to pay a shortfall contribution in February 2020, equal to 50% of the current ongoing funding shortfall (having previously paid £2,146,500 on 23 February 2018 and £1,060,000 on 22 February 2019).

The amounts recognised in the statement of financial position are as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Defined benefit pension plan asset	<b>7,338,000</b>	5,638,000
Defined benefit pension plan liability	<b>(5,773,000)</b>	(5,431,000)
<b>Net defined benefit asset/(liability)</b>	<b>1,565,000</b>	207,000
<b>Restriction on scheme assets</b>	<b>(1,565,000)</b>	-
<b>Total asset/(liability) recognised</b>	<b>-</b>	207,000

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

	<b>2019</b>
	<b>£</b>
At January 2019	5,431,000
Interest expense	144,000
Benefits paid	(205,000)
Remeasurements:	
Actuarial gains/(losses)	403,000
<b>At 31 December 2019</b>	<b>5,773,000</b>

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

	<b>2019</b>
	<b>£</b>
At January 2019	5,638,000
Interest income	144,000
Benefits paid	(205,000)
Contributions by employer	1,160,000
Administrative expenses	(55,000)
Remeasurements:	
Return on plan assets, excluding amount included in interest income	656,000
<b>At 31 December 2019</b>	<b>7,338,000</b>

**WELEDA (U.K.) LIMITED (REGISTERED NUMBER: 00203230)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019**

The total costs for the year in relation to defined benefit plans are as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Recognised in profit or loss:		
Past service costs	-	30,000
Administrative expenses	<b>55,000</b>	70,000
	<u><b>55,000</b></u>	<u>100,000</u>
Recognised in other comprehensive income:		
Actuarial gains/(losses) on defined benefit obligation	<b>(403,000)</b>	181,000
Actual return on assets less interest	<b>656,000</b>	(380,000)
Limit on recognition of assets less interest	<b>(1,565,000)</b>	-
	<u><b>(1,312,000)</b></u>	<u>(199,000)</u>

The return on the plan assets are as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Return on assets of benefit plan	<u><b>512,000</b></u>	<u>(247,000)</u>

The principal actuarial assumptions as at the statement of financial position date were:

	<b>2019</b>	<b>2018</b>
	<b>%</b>	<b>%</b>
Discount rate	<b>1.90</b>	2.70
Mortality rates:		
Current pensioners at 65 - male	<b>21.60</b>	21.90
Current pensioners at 65 - female	<b>23.30</b>	23.80
Future pensioners at 65 - male	<b>22.90</b>	23.30
Future pensioners at 65 - female	<b>24.80</b>	25.40
Rate of increase of pensions in payment - pensions accrued between 6 April 1997 to 5 April 2005	<b>1.90</b>	2.10
Rate of increase of pensions in payment - pensions accrued after 5 April 2005	<b>1.70</b>	1.90
Rate of increase of pensions in payment - pensions accrued post 88 GMP's	<b>1.80</b>	2.00
Rate of increase of pensions in deferment	<u><b>2.00</b></u>	<u>2.20</u>

**23. RELATED PARTY DISCLOSURES**

During the year, the company purchased goods and services to the value of £4,879,404 (2018: £3,510,931) from fellow group companies. The company also sold goods and services to the value of £401,599 (2018: £204,283) to fellow group companies.

Management fees of £402,371 (2018: £197,220) were paid to a fellow group company during the year.

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Amounts due to fellow group companies at the year end	6,260,137	4,818,733
Amounts due from fellow group companies at the year end	15,720	34,365

The amounts outstanding at the year end are unsecured and repayable on demand.

Key management personnel compensation in the year totalled £176,184 (2018: £161,037).

**WELEDA (U.K.) LIMITED (REGISTERED NUMBER: 00203230)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**24. ULTIMATE CONTROLLING PARTY**

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.