

Registered number: 05332193

**SCHWABE PHARMA (UK) LIMITED**  
**FINANCIAL STATEMENTS**  
**31 DECEMBER 2018**



# **SCHWABE PHARMA (UK) LIMITED**

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**SCHWABE PHARMA (UK) LIMITED**  
**COMPANY INFORMATION**

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<b>Directors</b>	P W Kerry O Schulz P R Braun
<b>Company secretary</b>	P W Kerry
<b>Registered number</b>	05332193
<b>Registered office</b>	Alexander House Mere Park Dedmere Road Marlow Buckinghamshire SL7 1FX
<b>Independent auditor</b>	Blick Rothenberg Audit LLP 16 Great Queen Street Covent Garden London WC2B 5AH

**SCHWABE PHARMA (UK) LIMITED**

REGISTERED NUMBER:05332193

**BALANCE SHEET  
AS AT 31 DECEMBER 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	5	53,383	24,656
Tangible assets	6	3,323	5,443
Investments	7	101	101
		<u>56,807</u>	<u>30,200</u>
<b>Current assets</b>			
Stocks		2,049,790	2,036,182
Debtors: amounts falling due within one year	8	1,678,136	1,670,220
Cash at bank and in hand		229,677	788,497
		<u>3,957,603</u>	<u>4,494,899</u>
Creditors: amounts falling due within one year	9	(2,817,112)	(3,550,939)
<b>Net current assets</b>		<u>1,140,491</u>	<u>943,960</u>
<b>Net assets</b>		<u><u>1,197,298</u></u>	<u><u>974,160</u></u>
<b>Capital and reserves</b>			
Called up share capital	10	225	225
Share premium account		3,249,775	3,249,775
Other reserves		950,000	950,000
Profit and loss account		(3,002,702)	(3,225,840)
<b>Total equity</b>		<u><u>1,197,298</u></u>	<u><u>974,160</u></u>

**SCHWABE PHARMA (UK) LIMITED**

REGISTERED NUMBER:05332193

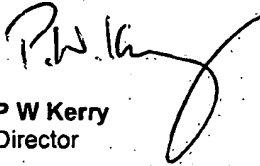
**BALANCE SHEET (CONTINUED)  
AS AT 31 DECEMBER 2018**

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The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006 and in accordance with Section 1A of Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime. The profit and loss account and directors' report have not been filed.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**P W Kerry**  
Director

Date: 23/4/2019.

The notes on pages 4 to 14 form part of these financial statements.

# **SCHWABE PHARMA (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

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### **1. General information**

Schwabe Pharma (UK) Limited is a private company limited by shares incorporated in England. The address of its registered office and principal place of business is Alexander House, Mere Park, Dedmere Road, Marlow, Buckinghamshire, SL7 1FX.

The financial statements are presented in Sterling (£).

### **2. Accounting policies**

#### **2.1 Basis of preparation of financial statements**

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

The following principal accounting policies have been applied:

#### **2.2 Going concern**

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date these financial statements were approved. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

#### **2.3 Consolidation**

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Sections 402 and 405(2) of the Companies Act 2006 not to prepare group accounts.

#### **2.4 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### **Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**SCHWABE PHARMA (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**2. Accounting policies (continued)**

**2.5 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided at the following rates:

Trademarks	- 5 - 33.3% straight line
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**2.6 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	- 33.3%
Computer equipment	- 33.3%
Other fixed assets	- 10.0%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

**2.7 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.8 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**SCHWABE PHARMA (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**2. Accounting policies (continued)**

**2.9 Financial instruments**

The company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all its liabilities.

The company's policies for its major classes of financial assets and financial liabilities are set out below.

**Financial assets**

Basic financial assets, including trade and other debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest of a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

**Financial liabilities**

Basic financial liabilities, including trade and other creditors and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not market rate.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

**Impairment of financial assets**

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

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

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



**SCHWABE PHARMA (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**2. Accounting policies (continued)**

**2.9 Financial instruments (continued)**

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

**Derecognition of financial assets and financial liabilities**

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

**Offsetting of financial assets and financial liabilities**

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

**2.10 Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**2.11 Cash and cash equivalents**

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

**SCHWABE PHARMA (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**2. Accounting policies (continued)**

**2.12 Foreign currency translation**

**Functional and presentation currency**

The company's functional and presentational currency is Sterling (£).

**Transactions and balances**

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'interest receivable and similar income or interest payable and similar expenses'. All other foreign exchange gains and losses are presented in the profit and loss account within 'administrative expenses'.

**2.13 Operating leases**

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

**2.14 Pensions**

**Defined contribution pension plan**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

**2.15 Interest receivable and similar income**

Interest income is recognised in the profit and loss account using the effective interest method.

**SCHWABE PHARMA (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**2. Accounting policies (continued)**

**2.16 Taxation**

The tax expense for the year comprises current tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Current tax is the amount of income tax payable in respect of taxable profit for the year or prior years.

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

**3. Employees**

The average monthly number of employees, including directors, during the year was 7 (2017: 7).

**4. Other operating income**

	2018 £	2017 £
Other operating income	-	83,837

During the year ended 31 December 2011, the company entered into an agreement whereby any operating losses incurred would be compensated by Schwabe International GmbH, the ultimate parent undertaking.

## **SCHWABE PHARMA (UK) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

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#### **5. Intangible assets**

	<b>Trademarks £</b>
<b>Cost</b>	
At 1 January 2018	<b>207,719</b>
Additions	<b>38,279</b>
At 31 December 2018	<b>245,998</b>
<b>Amortisation</b>	
At 1 January 2018	<b>183,063</b>
Charge for the year	<b>9,552</b>
At 31 December 2018	<b>192,615</b>
<b>Net book value</b>	
At 31 December 2018	<b>53,383</b>
At 31 December 2017	<b>24,656</b>

# **SCHWABE PHARMA (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

### **6. Tangible fixed assets**

	Office equipment £	Computer equipment £	Other fixed assets £	Total £
<b>Cost</b>				
At 1 January 2018	17,895	20,046	13,744	51,685
Additions	-	1,430	1,139	2,569
At 31 December 2018	17,895	21,476	14,883	54,254
<b>Depreciation</b>				
At 1 January 2018	14,408	18,605	13,229	46,242
Charge for the year	2,697	1,429	563	4,689
At 31 December 2018	17,105	20,034	13,792	50,931
<b>Net book value</b>				
At 31 December 2018	790	1,442	1,091	3,323
At 31 December 2017	3,487	1,441	515	5,443

**SCHWABE PHARMA (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**7. Fixed asset investments**

	Shares in group companies £
<b>Cost or valuation</b>	
At 1 January 2018 and 31 December 2018	10,000
<b>Impairment</b>	
At 1 January 2018 and 31 December 2018	9,899
<b>Net book value</b>	
At 31 December 2018	101
At 31 December 2017	101

**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Medic Herb (UK) Limited	England	Ordinary	100 %	Dormant
Bioplanta UK Limited	England	Ordinary	100 %	Dormant

The registered office of all subsidiaries is Alexander House, Mere Park, Dedmere Road, Marlow, Buckinghamshire, SL7 1FX.

**8. Debtors**

	2018 £	2017 £
Trade debtors	1,582,020	1,428,878
Amounts owed by group undertakings	-	83,837
Other debtors	53,640	5,845
Prepayments and accrued income	42,476	151,660
	<u>1,678,136</u>	<u>1,670,220</u>

# **SCHWABE PHARMA (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

### **9. Creditors: amounts falling due within one year**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>866,454</b>	<b>752,464</b>
Amounts owed to group undertakings	<b>1,542,238</b>	<b>2,311,189</b>
Corporation tax	<b>353</b>	<b>354</b>
Other taxation and social security	<b>257,254</b>	<b>203,270</b>
Other creditors	<b>1,225</b>	<b>4,018</b>
Accruals and deferred income	<b>149,588</b>	<b>279,644</b>
	<b><u>2,817,112</u></b>	<b><u>3,550,939</u></b>

### **10. Share capital**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
205 Ordinary shares of £1 each	<b>205</b>	<b>205</b>
20 Ordinary non-voting shares of £1 each	<b>20</b>	<b>20</b>
	<b><u>225</u></b>	<b><u>225</u></b>

### **11. Related party transactions**

The company has taken advantage of the exemption contained in FRS 102 section 33 "Related Party Disclosures" from disclosing transactions with entities which are a wholly owned part of the group.

### **12. Commitments under operating leases**

At 31 December 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Not later than 1 year	<b>17,820</b>	<b>5,940</b>
Later than 1 year and not later than 5 years	<b>23,630</b>	<b>-</b>
	<b><u>41,450</u></b>	<b><u>5,940</u></b>

## **SCHWABE PHARMA (UK) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

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#### **13. Parent undertaking**

The smallest group for which consolidated financial statements are drawn up is headed by Schwabe International GmbH whose registered office is Willmar-Schwabe-Str 4, 76227 Karlsruhe, Germany. Group financial statements are not available to the public.

#### **14. Auditor's information**

The auditor's report on the company's full financial statements was unqualified. Those financial statements were audited by Blick Rothenberg Audit LLP and the auditor's report thereon was signed by Christopher Shepherd (senior statutory auditor).