

Registered number: 05332193

SCHWABE PHARMA (UK) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021



SCHWABE PHARMA (UK) LIMITED

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SCHWABE PHARMA (UK) LIMITED

COMPANY INFORMATION

Directors P W Kerry
O Schulz
P R Braun

Company secretary P W Kerry

Registered number 05332193

Registered office Alexander House
Mere Park
Dedmere Road
Marlow
Buckinghamshire
SL7 1FX

Independent auditor Blick Rothenberg Audit LLP
Chartered Accountants & Statutory Auditor
16 Great Queen Street
Covent Garden
London
WC2B 5AH

SCHWABE PHARMA (UK) LIMITED**BALANCE SHEET
AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	4	201,671	264,308
Tangible assets	5	4,672	6,442
Investments	6	101	101
		<u>206,444</u>	<u>270,851</u>
Current assets			
Stocks		2,536,762	2,553,089
Debtors: amounts falling due within one year	7	2,186,024	2,046,194
Cash at bank and in hand		209,562	685,986
		<u>4,932,348</u>	<u>5,285,269</u>
Creditors: amounts falling due within one year	8	(2,353,713)	(2,960,149)
Net current assets		<u>2,578,635</u>	<u>2,325,120</u>
Total assets less current liabilities		<u>2,785,079</u>	<u>2,595,971</u>
Creditors: amounts falling due after more than one year	9	-	(165,240)
Net assets		<u><u>2,785,079</u></u>	<u><u>2,430,731</u></u>

SCHWABE PHARMA (UK) LIMITED**BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021**

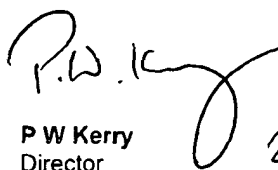
	Note	2021 £	2020 £
Capital and reserves			
Called up share capital	11	225	225
Share premium account		3,249,775	3,249,775
Other reserves		950,000	950,000
Profit and loss account		(1,414,921)	(1,769,269)
Total equity		2,785,079	2,430,731

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

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

The company has opted not to file the directors' report and the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

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


P W Kerry
Director 25.3.2022

The notes on pages 4 to 15 form part of these financial statements.

SCHWABE PHARMA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

Schwabe Pharma (UK) Limited is a private company limited by shares incorporated in England and Wales. The address of its registered office 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 2021

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 profit or loss.

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 2021

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 of 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 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 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 amounts owed to group undertakings 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 a market rate.

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

SCHWABE PHARMA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

Financial instruments (continued)

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.

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 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.11 Share capital

Ordinary shares are classified as equity.

SCHWABE PHARMA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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 profit or loss 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 'cost of sales'.

2.13 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.14 Operating leases

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.15 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 profit or loss 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.

2.16 Interest receivable and similar income

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

SCHWABE PHARMA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred 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.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

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

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

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Employees

The average monthly number of employees, including directors, during the year was 10 (2020: 10).

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4. Intangible assets

	Trademarks £
Cost	
At 1 January 2021	553,782
Additions	11,249
At 31 December 2021	<u>565,031</u>
Amortisation	
At 1 January 2021	289,474
Charge for the year	73,886
At 31 December 2021	<u>363,360</u>
Net book value	
At 31 December 2021	<u>201,671</u>
At 31 December 2020	<u>264,308</u>

SCHWABE PHARMA (UK) LIMITED
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5. Tangible fixed assets

	Office equipment £	Computer equipment £	Other fixed assets £	Total £
Cost				
At 1 January 2021	17,895	31,729	14,883	64,507
Additions	-	1,902	330	2,232
At 31 December 2021	17,895	33,631	15,213	66,739
Depreciation				
At 1 January 2021	17,895	26,150	14,020	58,065
Charge for the year	-	3,858	144	4,002
At 31 December 2021	17,895	30,008	14,164	62,067
Net book value				
At 31 December 2021	-	3,623	1,049	4,672
At 31 December 2020	-	5,579	863	6,442

SCHWABE PHARMA (UK) LIMITED
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6. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2021	10,000
At 31 December 2021	<u>10,000</u>
Impairment	
At 1 January 2021	9,899
At 31 December 2021	<u>9,899</u>
Net book value	
At 31 December 2021	<u>101</u>
At 31 December 2020	<u>101</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

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

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

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FOR THE YEAR ENDED 31 DECEMBER 2021

7. Debtors

	2021 £	2020 £
Trade debtors	1,808,861	1,690,376
Other debtors	41,930	41,918
Prepayments and accrued income	42,468	27,160
Deferred taxation	292,765	286,740
	<u>2,186,024</u>	<u>2,046,194</u>

8. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	643,907	1,380,678
Amounts owed to group undertakings	1,129,284	884,502
Corporation tax	353	353
Other taxation and social security	328,557	387,306
Other creditors	3,927	59,437
Accruals and deferred income	247,685	247,873
	<u>2,353,713</u>	<u>2,960,149</u>

Included within amounts owed to group undertakings is an amount of £NIL (2020:£144,906) that is subject to an annual interest charge of Euribor plus 1%.

9. Creditors: amounts falling due after more than one year

	2021 £	2020 £
Amounts owed to group undertakings	<u>-</u>	<u>165,240</u>

Amounts owed to group undertakings were due for repayment by 15 December 2024. Interest was charged annually at a rate of Euribor plus 1%. The loans were repaid during the year.

SCHWABE PHARMA (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

10. Deferred taxation

	2021 £
At beginning of year	286,740
Charged to profit or loss	6,025
At end of year	292,765
	2021
	£
Tax losses carried forward	292,765
	2020
	£
	286,740

11. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
205 Ordinary shares of £1.00 each	205	205
20 Ordinary non-voting shares of £1.00 each	20	20
	225	225

12. 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.

13. Commitments under operating leases

At 31 December 2021 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	-	5,940

14. 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.

SCHWABE PHARMA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

15. 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).