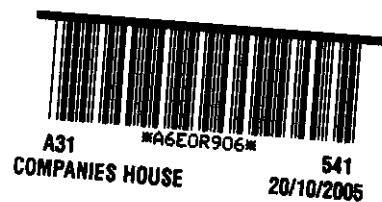


2005

**WELEDA (UK) LIMITED**  
**REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2004**



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FOR THE YEAR ENDED 31ST DECEMBER 2004**

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**WELEDA (UK) LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31ST DECEMBER 2004**

**DIRECTORS:** P Sirdey (Chairman)  
R Ballard (Managing director)  
M Van den Hoogenband (Director)  
D A G Jenkinson (Non-executive)  
I Wiggle (Non-executive)

**SECRETARY:** S A Spibey

**REGISTERED OFFICE:** Heanor Road  
Ilkeston  
Derbyshire  
DE7 8DR

**REGISTERED NUMBER:** 203230

**AUDITORS:** Duncan & Toplis  
14 London Road  
Newark  
Nottinghamshire  
NG24 1TW

**BANKERS:** HSBC Bank plc  
Bath Street  
Ilkeston  
Derbyshire  
DE7 8DD

**SOLICITORS:** Chambers & Hind  
Bath Street  
Ilkeston  
Derbyshire  
DE7 8GT

# WELEDA (UK) LIMITED

## REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2004

The directors present their report with the financial statements of the company for the year ended 31st December 2004.

### PRINCIPAL ACTIVITY

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

### REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

The profit for the year, after taxation, amounted to £236,799 (2003 - £78,422). A dividend of £5,769 has been proposed on the preference shares. A final dividend of 3% is proposed on the ordinary shares. The profit after dividends proposed is £190,080 (2003 - £43,403).

### DIVIDENDS

No interim dividends were paid during the year ended 31st December 2004.

The directors recommend final dividends per share as follows:

Ordinary £1 shares	3p
6% redeemable cumulative preference £1 shares	6p

The total distribution of dividends for the year ended 31st December 2004 will be £46,719.

### FUTURE DEVELOPMENTS

The directors aim to maintain the management policies, which have resulted in a continued sales growth in recent years. They consider that 2005 will show a further growth in sales.

### DIRECTORS

The directors during the year under review were:

P Sirdey (Chairman)  
R Ballard (Managing director)  
M Van den Hoogenband (Director)  
D A G Jenkinson (Non-executive)  
I Wiggle (Non-executive)

The beneficial interests of the directors holding office on 31st December 2004 in the issued share capital of the company were as follows:

	31.12.04	1.1.04
<b>Ordinary £1 shares</b>		
P Sirdey (Chairman)	-	-
R Ballard (Managing director)	-	-
M Van den Hoogenband (Director)	-	-
D A G Jenkinson (Non-executive)	-	-
I Wiggle (Non-executive)	-	-
<b>6% redeemable cumulative preference £1 shares</b>		
P Sirdey (Chairman)	-	-
R Ballard (Managing director)	2,500	2,500
M Van den Hoogenband (Director)	-	-
D A G Jenkinson (Non-executive)	-	-
I Wiggle (Non-executive)	1,000	1,000

**WELEDA (UK) LIMITED**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31ST DECEMBER 2004**

**DONATIONS**

During the year the client made the following donations:

Steiner School	£935
Park Attwood Clinic	£3,000
Christian Community	£400

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

**AUDITORS**

The auditors, Duncan & Toplis, will be proposed for re-appointment in accordance with Section 385A of the Companies Act 1985.

**ON BEHALF OF THE BOARD:**



R Ballard (Managing director) - Director

1st March 2005

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

We have audited the financial statements of Weleda (UK) Limited for the year ended 31st December 2004 on pages five to eighteen. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

As described on page three the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

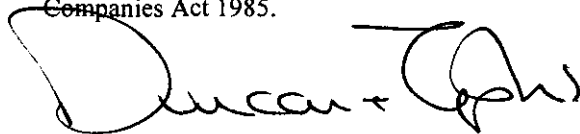
### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Duncan & Toplis  
14 London Road  
Newark  
Nottinghamshire  
NG24 1TW

1st March 2005

**WELEDA (UK) LIMITED****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST DECEMBER 2004**

		<u>31.12.04</u>	<u>31.12.03</u>
	Notes	£	£
<b>TURNOVER</b>	2	4,261,002	3,780,060
Cost of sales		<u>1,055,897</u>	<u>915,885</u>
<b>GROSS PROFIT</b>		3,205,105	2,864,175
Administrative expenses		<u>2,863,574</u>	<u>2,738,170</u>
		341,531	126,005
Other operating income		<u>8,520</u>	<u>8,520</u>
<b>OPERATING PROFIT</b>	4	350,051	134,525
Interest receivable and similar income		<u>7,196</u>	<u>3,715</u>
		357,247	138,240
Interest payable and similar charges	5	<u>9,203</u>	<u>14,253</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		348,044	123,987
Tax on profit on ordinary activities	6	<u>111,245</u>	<u>45,565</u>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		236,799	78,422
Dividends (including non-equity shares)	7	<u>46,719</u>	<u>35,019</u>
		190,080	43,403
Retained profit brought forward		<u>470,766</u>	<u>427,363</u>
<b>RETAINED PROFIT CARRIED FORWARD</b>		<u>£660,846</u>	<u>£470,766</u>

**CONTINUING OPERATIONS**

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

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current and previous years.

**WELEDA (UK) LIMITED**

**BALANCE SHEET  
31ST DECEMBER 2004**

		31.12.04		31.12.03	
	Notes	£	£	£	£
<b>FIXED ASSETS:</b>					
Tangible assets	8		1,343,767		1,365,337
Investments	9		-		-
			<u>1,343,767</u>		<u>1,365,337</u>
<b>CURRENT ASSETS:</b>					
Stocks	10	782,045		695,512	
Debtors	11	639,406		588,543	
Cash at bank and in hand		<u>283,564</u>		<u>203,230</u>	
		1,705,015		1,487,285	
<b>CREDITORS: Amounts falling due within one year</b>	12	<u>834,661</u>		<u>844,088</u>	
<b>NET CURRENT ASSETS:</b>			<u>870,354</u>		<u>643,197</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>			2,214,121		2,008,534
<b>CREDITORS: Amounts falling due after more than one year</b>	13		(50,000)		(423,224)
<b>PROVISIONS FOR LIABILITIES AND CHARGES:</b>	17		<u>(38,275)</u>		<u>(39,544)</u>
			<u>£2,125,846</u>		<u>£1,545,766</u>
<b>CAPITAL AND RESERVES:</b>					
Called up share capital	18		1,465,000		1,075,000
Profit and loss account			<u>660,846</u>		<u>470,766</u>
<b>SHAREHOLDERS' FUNDS (including non-equity interests):</b>	24		<u>£2,125,846</u>		<u>£1,545,766</u>

**ON BEHALF OF THE BOARD:**



R Ballard (Managing director) - Director

Approved by the Board on 1st March 2005



**WELEDA (UK) LIMITED**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST DECEMBER 2004**

		31.12.04		31.12.03	
	Notes	£	£	£	£
<b>Net cash inflow from operating activities</b>	1		294,742		112,069
<b>Returns on investments and servicing of finance</b>	2		(7,776)		(16,307)
<b>Taxation</b>			(62,302)		(51,447)
<b>Capital expenditure</b>	2		(119,486)		(112,703)
<b>Equity dividends paid</b>			(29,250)		(29,430)
			75,928		(97,818)
<b>Financing</b>	2		4,406		(83,737)
<b>Increase/(Decrease) in cash in the period</b>			<u>£80,334</u>		<u>£(181,555)</u>
<b>Reconciliation of net cash flow to movement in net debt</b>	3				
<b>Increase/(Decrease) in cash in the period</b>		80,334		(181,555)	
Cash outflow from decrease in debt		<u>385,594</u>		<u>83,737</u>	
Change in net debt resulting from cash flows			<u>465,928</u>		<u>(97,818)</u>
<b>Movement in net debt in the period</b>			465,928		(97,818)
<b>Net debt at 1st January</b>			<u>(305,766)</u>		<u>(207,948)</u>
<b>Net funds/(debt) at 31st December</b>			<u>£160,162</u>		<u>£(305,766)</u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST DECEMBER 2004**

**1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	31.12.04 £	31.12.03 £
Operating profit	350,051	134,525
Depreciation charges	139,440	107,350
Loss on sale of fixed assets	1,616	-
Increase in stocks	(86,533)	(40,166)
Increase in debtors	(50,863)	(41,148)
Decrease in creditors	<u>(58,969)</u>	<u>(48,492)</u>
<b>Net cash inflow from operating activities</b>	<u><b>294,742</b></u>	<u><b>112,069</b></u>

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

	31.12.04 £	31.12.03 £
<b>Returns on investments and servicing of finance</b>		
Interest received	7,196	3,715
Interest paid	(9,203)	(14,253)
Dividends paid on non-equity shares	<u>(5,769)</u>	<u>(5,769)</u>
<b>Net cash outflow for returns on investments and servicing of finance</b>	<u><b>(7,776)</b></u>	<u><b>(16,307)</b></u>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(119,486)	(118,203)
Sale of tangible fixed assets	<u>-</u>	<u>5,500</u>
<b>Net cash outflow for capital expenditure</b>	<u><b>(119,486)</b></u>	<u><b>(112,703)</b></u>
<b>Financing</b>		
Loan repayments in year	(385,594)	(83,737)
Cash receipt re share issue	<u>390,000</u>	<u>-</u>
<b>Net cash inflow/(outflow) from financing</b>	<u><b>4,406</b></u>	<u><b>(83,737)</b></u>

**WELEDA (UK) LIMITED**

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST DECEMBER 2004**

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

	At 1.1.04 £	Cash flow £	At 31.12.04 £
Net cash:			
Cash at bank and in hand	<u>203,230</u>	<u>80,334</u>	<u>283,564</u>
	<u>203,230</u>	<u>80,334</u>	<u>283,564</u>
Debt:			
Debts falling due within one year	(85,772)	12,370	(73,402)
Debts falling due after one year	<u>(423,224)</u>	<u>373,224</u>	<u>(50,000)</u>
	<u>(508,996)</u>	<u>385,594</u>	<u>(123,402)</u>
Total	<u>(305,766)</u>	<u>465,928</u>	<u>160,162</u>
<b>Analysed in Balance Sheet</b>			
Cash at bank and in hand	203,230		283,564
Debts falling due within one year	(85,772)		(73,402)
Debts falling due after one year	<u>(423,224)</u>		<u>(50,000)</u>
	<u>(305,766)</u>		<u>160,162</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2004**

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention modified to include the revaluation of freehold land and buildings. The accounts are prepared in accordance with applicable accounting standards.

**Turnover**

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

**Tangible fixed assets**

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

Freehold land and buildings	- 5% on reducing balance
Assets under construction	- not provided
Plant and machinery	- 20% on reducing balance
Fixtures and fittings	- 20% on reducing balance
Motor vehicles	- 25% on reducing balance

**Stocks**

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

**Deferred tax**

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

**Foreign currencies**

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

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

All differences are taken to the profit and loss account.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the profit and loss account as incurred.

**Pensions**

The company operates a defined benefit pension scheme, which is now closed to new employees. The pension cost charged to the profit and loss account is calculated so as to spread the costs of the pension over the employee's working lives with the company.

In accordance with FRS 17, Retirement Benefits, the scheme is deemed to meet the requirements of a multi-employer scheme without separable assets identifiable and therefore the accounting treatment is that applied to a defined contribution scheme.

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

**WELEDA (UK) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2004****2. TURNOVER**

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

An analysis of turnover by geographical market is given below:

	31.12.04	31.12.03
	£	£
United Kingdom	3,819,997	3,417,804
Other EU Member States	402,820	325,405
Others	38,185	36,851
	<u>4,261,002</u>	<u>3,780,060</u>

**3. STAFF COSTS**

	31.12.04	31.12.03
	£	£
Wages and salaries	1,317,089	1,204,281
Social security costs	100,978	80,972
Other pension costs	75,461	68,828
	<u>1,493,528</u>	<u>1,354,081</u>

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

	31.12.04	31.12.03
Office and Management	10	11
Production and Sales	<u>68</u>	<u>69</u>
	<u>78</u>	<u>80</u>

**4. OPERATING PROFIT**

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

	31.12.04	31.12.03
	£	£
Depreciation - owned assets	139,440	107,350
Loss on disposal of fixed assets	1,616	-
Auditors' remuneration	10,031	8,332
Foreign exchange differences	(11,332)	24,547
Operating lease rentals - plant and machinery	<u>26,406</u>	<u>19,980</u>
Directors' emoluments	<u>61,760</u>	<u>76,810</u>

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

Defined benefit schemes	<u>1</u>	<u>1</u>
-------------------------	----------	----------

**WELEDA (UK) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2004**

**5. INTEREST PAYABLE AND SIMILAR CHARGES**

	31.12.04	31.12.03
	£	£
Bank loan interest	5,703	10,253
Group undertakings interest	<u>3,500</u>	<u>4,000</u>
	<u>9,203</u>	<u>14,253</u>

**6. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	31.12.04	31.12.03
	£	£
Current tax:		
UK corporation tax	112,514	34,783
Adjustment in respect of previous years:		
Corporation tax	<u>-</u>	<u>2,120</u>
Total current tax	112,514	36,903
Deferred taxation	<u>(1,269)</u>	<u>8,662</u>
Tax on profit on ordinary activities	<u>111,245</u>	<u>45,565</u>

**Factors that may affect future tax charges**

Provision is made for tax on gains arising from the revaluation of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted.

**7. DIVIDENDS**

	31.12.04	31.12.03
	£	£
Equity shares:		
Ordinary shares of £1 each final proposed	<u>40,950</u>	<u>29,250</u>
Non-equity shares:		
6% redeemable cumulative preference shares of £1 each final proposed	<u>5,769</u>	<u>5,769</u>
	<u>46,719</u>	<u>35,019</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2004

## 8. TANGIBLE FIXED ASSETS

	Freehold land and buildings	Assets under construction	Plant and machinery
	£	£	£
<b>COST:</b>			
At 1st January 2004	1,411,834	-	1,208,641
Additions	-	3,080	59,368
At 31st December 2004	1,411,834	3,080	1,268,009
<b>DEPRECIATION:</b>			
At 1st January 2004	374,018	-	1,005,403
Charge for year	51,891	-	57,922
At 31st December 2004	425,909	-	1,063,325
<b>NET BOOK VALUE:</b>			
At 31st December 2004	985,925	3,080	204,684
At 31st December 2003	1,037,816	-	203,237
	Fixtures and fittings	Motor vehicles	Totals
	£	£	£
<b>COST:</b>			
At 1st January 2004	303,809	9,108	2,933,392
Additions	53,348	3,690	119,486
Disposals	-	(9,108)	(9,108)
At 31st December 2004	357,157	3,690	3,043,770
<b>DEPRECIATION:</b>			
At 1st January 2004	181,330	7,304	1,568,055
Charge for year	28,747	880	139,440
Eliminated on disposals	-	(7,492)	(7,492)
At 31st December 2004	210,077	692	1,700,003
<b>NET BOOK VALUE:</b>			
At 31st December 2004	147,080	2,998	1,343,767
At 31st December 2003	122,479	1,805	1,365,337

## 9. FIXED ASSET INVESTMENTS

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

**WELEDA (UK) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2004**

**10. STOCKS**

	31.12.04	31.12.03
	£	£
Raw materials and consumables	178,716	159,985
Work in progress	134,553	115,228
Finished goods	<u>468,776</u>	<u>420,299</u>
	<u>782,045</u>	<u>695,512</u>

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

	31.12.04	31.12.03
	£	£
Trade debtors	580,411	524,560
Other debtors	4,178	3,850
Prepayments	32,340	34,590
Amounts due from group undertakings	<u>22,477</u>	<u>25,543</u>
	<u>639,406</u>	<u>588,543</u>

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

	31.12.04	31.12.03
	£	£
Bank loans and overdrafts (see note 14)	63,402	75,772
Trade creditors	114,724	165,519
Other creditors	6,912	14,589
Dividend proposed	46,719	35,019
Other taxes and social security costs	152,844	133,095
Amounts due to group undertakings	236,003	322,696
Corporation tax	66,781	16,569
Accrued expenses	<u>147,276</u>	<u>80,829</u>
	<u>834,661</u>	<u>844,088</u>

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

	31.12.04	31.12.03
	£	£
Bank loans (see note 14)	-	63,224
Due to group undertakings (see note 14)	<u>50,000</u>	<u>360,000</u>
	<u>50,000</u>	<u>423,224</u>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2004**

**14. LOANS AND OVERDRAFTS**

An analysis of the maturity of loans and overdrafts is given below:

	31.12.04 £	31.12.03 £
Amounts falling due within one year or on demand:		
Bank loans	<u>63,402</u>	<u>75,772</u>
Amounts falling due between one and two years:		
Bank loans	-	63,224
Due to group undertakings	<u>10,000</u>	<u>310,000</u>
	<u>10,000</u>	<u>373,224</u>
Amounts falling due between two and five years:		
Due to group undertakings	<u>30,000</u>	<u>30,000</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Due to group undertakings	<u>10,000</u>	<u>20,000</u>

The loan from group undertakings, part of which is due for repayment after five years is being repaid at £10,000 per annum and carries interest of 5% per annum.

**15. OPERATING LEASE COMMITMENTS**

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

	31.12.04 £	Operating leases 31.12.03 £
Expiring:		
Between one and five years	26,402	19,920
In more than five years	<u>-</u>	<u>6,482</u>
	<u>26,402</u>	<u>26,402</u>

# WELEDA (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2004

### 16. SECURED DEBTS

The following secured debts are included within creditors:

	31.12.04	31.12.03
	£	£
Bank loans and overdrafts	<u>63,402</u>	<u>138,996</u>

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

### 17. PROVISIONS FOR LIABILITIES AND CHARGES

	31.12.04	31.12.03
	£	£
Deferred tax	<u>38,275</u>	<u>39,544</u>
	Deferred tax	
	£	
Balance at 1st January 2004	39,544	
Released in the year	<u>(1,269)</u>	
Balance at 31st December 2004	<u>38,275</u>	
Deferred tax provision		
	31.12.04	31.12.03
	£	£
Accelerated capital allowances	42,775	44,794
Other timing differences	<u>(4,500)</u>	<u>(5,250)</u>
	<u>38,275</u>	<u>39,544</u>

### 18. CALLED UP SHARE CAPITAL

Authorised:		Nominal value:	31.12.04	31.12.03
Number:	Class:		£	£
1,400,000	Ordinary	£1	1,400,000	1,400,000
100,000	6% redeemable cumulative preference	£1	<u>100,000</u>	<u>100,000</u>
			<u>1,500,000</u>	<u>1,500,000</u>
Allotted, issued and fully paid:		Nominal value:	31.12.04	31.12.03
Number:	Class:		£	£
1,365,000	Ordinary	£1	1,365,000	975,000
(31.12.03 – 975,000)				
100,000	6% redeemable cumulative preference	£1	<u>100,000</u>	<u>100,000</u>
			<u>1,465,000</u>	<u>1,075,000</u>

During the year the company issued 390,000 ordinary £1 shares at par to increase it's share capital.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2004**

**18. CALLED UP SHARE CAPITAL - continued**

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

- i) entitle holders, in priority to the ordinary shareholders, to a fixed cumulative preference dividend payable annually in arrears;
- ii) on a return of capital on a winding up, carry the right to repayment of capital in priority to the rights of the ordinary shareholders;
- iii) are redeemable at the company's option at par;
- iv) carry the right to vote at a general meeting of the company only if payment of any dividend on the redeemable cumulative preference shares is more than six months in arrears or if the business of the meeting includes a resolution to vary the rights attaching to the preference shares.

**19. PENSION COMMITMENTS**

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

The most recent formal actuarial valuation was undertaken by an independent professionally qualified actuary as at 31 March 2001 using the projected unit method. The principal assumptions which have the most significant effect on the computation of the pension costs are those related to the rate of return on the investments (assumed to be 6%) and the rates of increase in earnings and pensions (assumed to be 3.5%). These assumptions have been derived from the market yields applying at the valuation date. In particular, the investment return used relating to pre-retirement liabilities was two and a half percentage points per annum in excess of the assumed rate of increase in earnings.

At 31 March 2001 the actuarial value of scheme assets was £7,731,000 compared to actuarial liabilities of £7,676,000. The company's share of the total fund surplus of £55,000 has not been recognised in the accounts as the regular pension cost is not significantly different from the contribution rate required to meet the accrued liabilities. Employer contributions made during the year were £73,035 (2003: £68,828). Contributions outstanding at the balance sheet date were £4,937 (2003: £13,344).

As the defined benefit pension scheme is now closed to new employees the company has started a defined contribution pension scheme. Employer contributions made during the year were £2,426 (2003: £Nil) and there were no contributions outstanding at the year-end (2003: £Nil).

**20. CONTINGENT LIABILITIES**

The company has indemnified its bankers for the sum of up to £8,500 (2003 - £8,500) in respect of VAT and duty deferment bonds.

**21. CAPITAL COMMITMENTS**

	31.12.04	31.12.03
	£	£
Contracted but not provided for in the financial statements	-	14,583

# WELEDA (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2004

### 22. TRANSACTIONS WITH DIRECTORS

During the year consultancy fees of £3,138 (2003: £6,260) were paid to I Wiggle and £3,912 (2003: £2,289) to D A G Jenkinson, non-executive directors of the company.

During the year fees for consultancy work of £5,361 (2003: £Nil) were paid to BBMC International, a company in which R Ballard, a director of Weleda (UK) Limited has an interest.

### 23. RELATED PARTY DISCLOSURES

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

### 24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.04	31.12.03
	£	£
Profit for the financial year	236,799	78,422
Dividends	<u>(46,719)</u>	<u>(35,019)</u>
	190,080	43,403
New share capital issued	<u>390,000</u>	<u>-</u>
Net addition to shareholders' funds	580,080	43,403
Opening shareholders' funds	<u>1,545,766</u>	<u>1,502,363</u>
Closing shareholders' funds	<u><u>2,125,846</u></u>	<u><u>1,545,766</u></u>
Equity interests	2,025,846	1,445,766
Non-equity interests	<u>100,000</u>	<u>100,000</u>
	<u><u>2,125,846</u></u>	<u><u>1,545,766</u></u>

### 25. ULTIMATE HOLDING COMPANY AND LARGEST AND SMALLEST GROUPS

The ultimate parent undertaking and controlling party is Welda 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 Welda AG. Copies of Weleda AG's accounts can be obtained from CH-4144 Arlesheim, Switzerland.