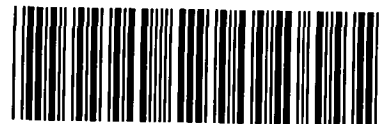


REGISTERED NUMBER: 00203230 (England and Wales)

**Strategic Report, Report of the Directors and  
Financial Statements for the Year Ended 31 December 2021  
for  
WELEDA (U.K.) LIMITED**

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

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

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FOR THE YEAR ENDED 31 DECEMBER 2021**

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# **WELEDA (U.K.) LIMITED**

## **Company Information FOR THE YEAR ENDED 31 DECEMBER 2021**

**Directors:**

N Yarmolenko  
O Beme

**Registered office:**

Heanor Road  
Ilkeston  
Derbyshire  
DE7 8DR

**Registered number:**

00203230 (England and Wales)

**Auditors:**

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

**Solicitors:**

Flint Bishop  
St Michael's Court  
St Michael's Lane  
Derby  
DE1 3HQ

# WELEDA (U.K.) LIMITED

## Strategic Report FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their strategic report for the year ended 31 December 2021.

### 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. Our purpose statement is: Unfolding health and beauty in harmony with nature and the human being.

### 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 customer sales mix was impacted by the easing of COVID19 restrictions with strong performances in Grocers compared to last year whilst maintaining the performance levels through online channels. Despite the business growth we have continued to maintain tight control of our overheads while performing targeted marketing investment to drive sales growth for the current year and in the future in line with our strategic plan.

### IMPACT REPORT

Despite some restrictions caused by COVID19 relaxing throughout the period we have strived to protect our staff, protect the business, and deliver the purpose of Weleda. We have minimised risk by continuing to adhere to government guidelines (PPE, space etc) and, where possible, moved staff to working from home when instructed.

As a result of the working from we reviewed our internal policies and have implemented hybrid working for staff that are able to do so. This is designed to improve both the welfare of our teams and lesser our carbon footprint through fuel emissions.

In line with our values we announced in 2020 our intention to plant 1 million trees in the build up to our 100 year anniversary in 2021. Working with our partner TreeSisters with several initiatives we have planted just over 28,000 trees in 2021 taking our total to approximately 82,000.

We have also partnered with Amazon and the Borneo Orangutan Survival to fund their charitable activities and help save this critically endangered species. Through this initiative we have contributed £22,556 towards this cause.

### Key performance indicators

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

	2021	2020
Turnover £	11,702,013	10,228,521
Gross profit %	43	42
Net profit/(loss) before tax %	3	-0.8
*ROCE %	22	-4

\*Operating profit/(loss) as percentage of shareholder's funds.

### PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk affecting the company is the ongoing impact of COVID19, exchange rate fluctuations, and further repercussions of the Brexit arrangement.

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

On behalf of the board:



O Beme - Director

Date: 11.05.2022

# WELEDA (U.K.) LIMITED

## Report of the Directors FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report with the financial statements of the company for the year ended 31 December 2021:

### Dividends

No dividends will be distributed for the year ended 31 December 2021.

### Directors

N Yarmolenko has held office during the whole of the period from 1 January 2021 to the date of this report.

Other changes in directors holding office are as follows:

M S M Van Boven - resigned 1 November 2021

O Beme - appointed 1 November 2021

### 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 she ought to have taken as a director in order to make herself 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:



O Beme - Director

Date: 11.05.2022

**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 2021 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 2021 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.

**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 this gives rise to a material misstatement in the financial statements themselves. 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.

**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.

**Report of the Independent Auditors to the Members of  
Weleda (U.K.) Limited**

**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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements. Specifically reviewing compliance with the Medicines and Healthcare products Regulatory Agency (MHRA) regulations as well as ensuring no instances of non-compliance noted in respect of other UK company, employment and taxation laws and regulations.
- Enquiring of management of any known or suspected instances of fraud, as well as considering management's assessment of the susceptibility of the financial statements to fraud.
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate an increased risk of material misstatement as a result of fraud.
- Reporting local results to parent entity, and ensuring there are no unusual relationships that management at a group level feel indicate a potential risk of material misstatement as a result of fraud.
- Ensuring amounts recorded as owed to and receivable from other group companies materially reconcile back to the intercompany matrix schedule.
- Performing substantive testing over a selection of journal entries made in the period, to address the risk of fraud due to management override of controls.
- Assessing accounting estimates which have a material impact of the year end accounts, to determine if there is indication of management bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

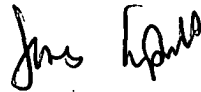
Despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

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.

**Report of the Independent Auditors to the Members of  
Weleda (U.K.) Limited**

**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: ..... *n/1/m* .....



# WELEDA (U.K.) LIMITED

## Income Statement FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Turnover	4	11,702,013	10,228,521
Cost of sales		6,662,037	5,920,744
<b>Gross profit</b>		<b>5,039,976</b>	<b>4,307,777</b>
Administrative expenses		4,696,343	4,382,434
		343,633	(74,657)
Other operating income		14,158	1,054
<b>Operating profit/(loss)</b>		<b>357,791</b>	<b>(73,603)</b>
Interest receivable and similar income		-	76
		357,791	(73,527)
Interest payable and similar expenses	6	6,000	6,000
<b>Profit/(loss) before taxation</b>	7	<b>351,791</b>	<b>(79,527)</b>
Tax on profit/(loss)	9	92,411	86,148
<b>Profit/(loss) for the financial year</b>		<b>259,380</b>	<b>(165,675)</b>

The notes form part of these financial statements

# WELEDA (U.K.) LIMITED

## Other Comprehensive Income FOR THE YEAR ENDED 31 DECEMBER 2021

Notes	2021 £	2020 £
<b>Profit/(loss) for the year</b>	<b>259,380</b>	<b>(165,675)</b>
<b>Other comprehensive income</b>		
Remeasurement of the net defined benefit plan	(232,000)	(374,000)
Fair value adjustment of loans from group undertakings	-	(294,351)
Income tax relating to components of other comprehensive income	-	-
<b>Other comprehensive income for the year, net of income tax</b>	<b>(232,000)</b>	<b>(668,351)</b>
<b>Total comprehensive income for the year</b>	<b>27,380</b>	<b>(834,026)</b>


The notes form part of these financial statements

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

**Statement of Financial Position  
31 DECEMBER 2021**

	Notes	£	2021 £	£	2020 £
<b>Fixed assets</b>					
Intangible assets	10		272,156		271,276
Tangible assets	11		1,893,208		1,961,203
Investments	12		1,594		1,594
			<u>2,166,958</u>		<u>2,234,073</u>
<b>Current assets</b>					
Stocks	13	2,016,901		1,875,294	
Debtors	14	3,329,217		2,196,025	
Cash at bank		578,948		435,906	
		<u>5,925,066</u>		<u>4,507,225</u>	
<b>Creditors</b>					
Amounts falling due within one year	15	9,610,490		8,287,144	
<b>Net current liabilities</b>			<u>(3,685,424)</u>		<u>(3,779,919)</u>
<b>Total assets less current liabilities</b>			<u>(1,518,466)</u>		<u>(1,545,846)</u>
<b>Creditors</b>					
Amounts falling due after more than one year	16		100,000		100,000
<b>Net liabilities</b>			<u>(1,618,466)</u>		<u>(1,645,846)</u>
<b>Capital and reserves</b>					
Called up share capital	20		1,395,000		1,395,000
Share premium	21		720,000		720,000
Retained earnings	21		(3,733,466)		(3,760,846)
<b>Shareholders' funds</b>			<u>(1,618,466)</u>		<u>(1,645,846)</u>

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

  
.....  
O Beme - Director

The notes form part of these financial statements

# WELEDA (U.K.) LIMITED

## Statement of Changes In Equity FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
<b>Balance at 1 January 2020</b>	1,395,000	(3,221,171)	720,000	294,351	(811,820)
<b>Changes in equity</b>					
Deficit for the year	-	(165,675)	-	-	(165,675)
Other comprehensive income	-	(374,000)	-	(294,351)	(668,351)
<b>Total comprehensive income</b>	-	(539,675)	-	(294,351)	(834,026)
<b>Balance at 31 December 2020</b>	1,395,000	(3,760,846)	720,000	-	(1,645,846)
<b>Changes in equity</b>					
Profit for the year	-	259,380	-	-	259,380
Other comprehensive income	-	(232,000)	-	-	(232,000)
<b>Total comprehensive income</b>	-	27,380	-	-	27,380
<b>Balance at 31 December 2021</b>	1,395,000	(3,733,466)	720,000	-	(1,618,466)

The notes form part of these financial statements

# WELEDA (U.K.) LIMITED

## Statement of Cash Flows FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(218,978)	363,563
Interest paid		(6,000)	(6,000)
Tax paid		(47,409)	(36,799)
<b>Net cash from operating activities</b>		<b>(272,387)</b>	<b>320,764</b>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		(58,730)	(105,511)
Purchase of tangible fixed assets		(58,682)	(255,491)
Sale of tangible fixed assets		1,565	-
Interest received		-	76
<b>Net cash from investing activities</b>		<b>(115,847)</b>	<b>(360,926)</b>
<b>Cash flows from financing activities</b>			
Proceeds from loans from group		531,276	130,193
<b>Net cash from financing activities</b>		<b>531,276</b>	<b>130,193</b>
<b>Increase in cash and cash equivalents</b>		<b>143,042</b>	<b>90,031</b>
<b>Cash and cash equivalents at beginning of year</b>	2	<b>435,906</b>	<b>345,875</b>
<b>Cash and cash equivalents at end of year</b>	2	<b>578,948</b>	<b>435,906</b>

The notes form part of these financial statements

# WELEDA (U.K.) LIMITED

## Notes to the Statement of Cash Flows FOR THE YEAR ENDED 31 DECEMBER 2021

### 1. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2021	2020
	£	£
Profit/(loss) before taxation	351,791	(79,527)
Depreciation charges	184,527	170,757
Profit on disposal of fixed assets	(1,565)	-
Net defined benefit pension costs	(232,000)	(374,000)
Accrued (income)/expenses	580,076	41,155
Finance costs	6,000	6,000
Finance income	-	(76)
	<u>888,829</u>	<u>(235,691)</u>
(Increase)/decrease in stocks	(141,607)	363,898
Increase in trade and other debtors	(1,284,266)	(194,228)
Increase in trade and other creditors	318,066	429,584
<b>Cash generated from operations</b>	<u><u>(218,978)</u></u>	<u><u>363,563</u></u>

### 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 2021

	31.12.21	1.1.21
	£	£
Cash and cash equivalents	<u>578,948</u>	<u>435,906</u>

#### Year ended 31 December 2020

	31.12.20	1.1.20
	£	£
Cash and cash equivalents	<u>435,906</u>	<u>345,875</u>

### 3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.21	Cash flow	At 31.12.21
	£	£	£
<b>Net cash</b>			
Cash at bank	435,906	143,042	578,948
	<u>435,906</u>	<u>143,042</u>	<u>578,948</u>
<b>Debt</b>			
Debts falling due after 1 year	(100,000)	-	(100,000)
	<u>(100,000)</u>	<u>-</u>	<u>(100,000)</u>
<b>Total</b>	<u><u>335,906</u></u>	<u><u>143,042</u></u>	<u><u>478,948</u></u>

The notes form part of these financial statements

# **WELEDA (U.K.) LIMITED**

## **Notes to the Financial Statements FOR THE YEAR ENDED 31 DECEMBER 2021**

### **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.

The amount of turnover recognised is sensitive to the amount of customer discounts either contractual or non-contractual, as estimated by management. The value of estimated discounts is subject to estimated sales volumes under specific promotions.

## WELEDA (U.K.) LIMITED

### Notes to the Financial Statements - continued FOR THE YEAR ENDED 31 DECEMBER 2021

#### 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

### Notes to the Financial Statements - continued FOR THE YEAR ENDED 31 DECEMBER 2021

#### 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

### Notes to the Financial Statements - continued FOR THE YEAR ENDED 31 DECEMBER 2021

#### 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.

##### 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.

#### 4. TURNOVER

The turnover and profit (2020 - loss) before taxation are attributable to the one principal activity of the company.

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

	2021	2020
	£	£
Sale of goods	11,702,013	10,228,521
	<u>11,702,013</u>	<u>10,228,521</u>

# WELEDA (U.K.) LIMITED

## Notes to the Financial Statements - continued FOR THE YEAR ENDED 31 DECEMBER 2021

### 4. TURNOVER - continued

An analysis of turnover by geographical market is given below:

	2021 £	2020 £
United Kingdom	10,966,609	9,338,687
Europe	652,014	838,289
Rest of World	93,390	51,545
	<u>11,702,013</u>	<u>10,228,521</u>

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

### 5. EMPLOYEES AND DIRECTORS

	2021 £	2020 £
Wages and salaries	2,401,022	2,040,582
Social security costs	231,029	206,901
Other pension costs	156,403	158,155
	<u>2,788,454</u>	<u>2,405,638</u>

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

	2021	2020
Production and sales	73	64
Office and management	13	13
	<u>86</u>	<u>77</u>

	2021 £	2020 £
Directors' remuneration	-	-

### 6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021 £	2020 £
Dividends paid on shares classed as debt	6,000	6,000
	<u>6,000</u>	<u>6,000</u>

### 7. PROFIT/(LOSS) BEFORE TAXATION

Operating profit or loss is stated after charging:

	2021 £	2020 £
Depreciation and amortisation	184,527	170,757
(Gains)/loss on disposal of tangible assets	(1,565)	-
Impairment of trade debtors	(10,551)	(12,299)
Foreign exchange differences	(194,750)	192,456
Hire of plant and machinery	2,363	13,714
Operating lease rentals	12,538	40,512
Impairment of stock included in cost of sales	47,508	101,109
Stock recognised as a marketing expense	121,676	33,051

# WELEDA (U.K.) LIMITED

## Notes to the Financial Statements - continued FOR THE YEAR ENDED 31 DECEMBER 2021

### 8. AUDITORS' REMUNERATION

	2021 £	2020 £
Fees payable for the audit of the financial statements	<u>21,613</u>	<u>21,013</u>

### 9. TAXATION

#### Analysis of the tax charge

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

	2021 £	2020 £
Current tax:		
UK corporation tax	94,351	49,349
(Over)/Under provision	<u>(1,940)</u>	<u>36,799</u>
Tax on profit/(loss)	<u>92,411</u>	<u>86,148</u>

#### Reconciliation of total tax charge included in profit and loss

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

	2021 £	2020 £
Profit/(loss) before tax	<u>351,791</u>	<u>(79,527)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	66,840	(15,110)
Effects of:		
Expenses not deductible for tax purposes	6,427	82,528
Capital allowances in excess of depreciation	-	(18,069)
Depreciation in excess of capital allowances	21,455	-
Utilisation of tax losses	(74)	-
Profit on disposal	(297)	-
Over/(under) provision in previous years	<u>(1,940)</u>	<u>36,799</u>
Total tax charge	<u>92,411</u>	<u>86,148</u>

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

	Gross £	Tax £	2021 Net £
Remeasurement of the net defined benefit plan	(232,000)	-	(232,000)
Fair value adjustment of loans from group undertakings	<u>(232,000)</u>	<u>-</u>	<u>(232,000)</u>

# WELEDA (U.K.) LIMITED

## Notes to the Financial Statements - continued FOR THE YEAR ENDED 31 DECEMBER 2021

### 9. TAXATION - continued

	Gross £	Tax £	2020 Net £
Remeasurement of the net defined benefit plan	(374,000)	-	(374,000)
Fair value adjustment of loans from group undertakings	(294,351)	-	(294,351)
	<u>(668,351)</u>	<u>-</u>	<u>(668,351)</u>

### 10. INTANGIBLE FIXED ASSETS

	Computer software £
<b>Cost</b>	
At 1 January 2021	367,314
Additions	58,730
At 31 December 2021	<u>426,044</u>
<b>Amortisation</b>	
At 1 January 2021	96,038
Amortisation for year	57,850
At 31 December 2021	<u>153,888</u>
<b>Net book value</b>	
At 31 December 2021	<u>272,156</u>
At 31 December 2020	<u>271,276</u>

### 11. TANGIBLE FIXED ASSETS

	Freehold land £	Plant and machinery £	Fixtures and fittings £
<b>Cost</b>			
At 1 January 2021	3,324,340	754,041	416,271
Additions	25,723	14,097	2,215
Disposals	-	-	-
At 31 December 2021	<u>3,350,063</u>	<u>768,138</u>	<u>418,486</u>
<b>Depreciation</b>			
At 1 January 2021	1,726,066	621,061	357,278
Charge for year	59,768	29,942	13,668
Eliminated on disposal	-	-	-
At 31 December 2021	<u>1,785,834</u>	<u>651,003</u>	<u>370,946</u>
<b>Net book value</b>			
At 31 December 2021	<u>1,564,229</u>	<u>117,135</u>	<u>47,540</u>
At 31 December 2020	<u>1,598,274</u>	<u>132,980</u>	<u>58,993</u>

# WELEDA (U.K.) LIMITED

## Notes to the Financial Statements - continued FOR THE YEAR ENDED 31 DECEMBER 2021

### 11. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Equipment £	Totals £
<b>Cost</b>			
At 1 January 2021	23,219	916,287	5,434,158
Additions	-	16,647	58,682
Disposals	(14,325)	-	(14,325)
At 31 December 2021	8,894	932,934	5,478,515
<b>Depreciation</b>			
At 1 January 2021	23,033	745,517	3,472,955
Charge for year	186	23,113	126,677
Eliminated on disposal	(14,325)	-	(14,325)
At 31 December 2021	8,894	768,630	3,585,307
<b>Net book value</b>			
At 31 December 2021	-	164,304	1,893,208
At 31 December 2020	186	170,770	1,961,203

### 12. FIXED ASSET INVESTMENTS

	Other investments other than loans £
<b>Cost</b>	
At 1 January 2021 and 31 December 2021	1,594
<b>Net book value</b>	
At 31 December 2021	1,594
At 31 December 2020	1,594

### 13. STOCKS

	2021 £	2020 £
Raw materials and consumables	292,856	323,084
Work-in-progress	172,390	90,644
Finished goods and goods for resale	1,551,655	1,461,566
	<u>2,016,901</u>	<u>1,875,294</u>

Stocks are stated after provisions for impairment of £47,508 (2020: £12,508).

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

Finished goods includes £121,676 (2020: £195,852) of marketing stock that will be distributed free of charge after the year-end.

# WELEDA (U.K.) LIMITED

## Notes to the Financial Statements - continued FOR THE YEAR ENDED 31 DECEMBER 2021

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

	2021	2020
	£	£
Trade debtors	3,107,162	1,807,307
Amounts owed by group undertakings	43,275	89,914
Other debtors	25,314	9
Prepayments and accrued income	153,466	298,795
	<u>3,329,217</u>	<u>2,196,025</u>

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

	2021	2020
	£	£
Trade creditors	471,998	406,423
Amounts owed to group undertakings	7,410,346	6,684,681
Tax	94,351	49,349
Social security and other taxes	590,310	676,943
Other creditors	174,442	180,781
Accruals and deferred income	869,043	288,967
	<u>9,610,490</u>	<u>8,287,144</u>

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

	2021	2020
	£	£
Preference shares (see note 17)	<u>100,000</u>	<u>100,000</u>

Included within creditors: amounts falling due after more than five years is an amount of £100,000 (2020: £100,000) in respect of preference shares repayable otherwise than by instalments.

### 17. LOANS

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due between two and five years:		
Preference shares	<u>100,000</u>	<u>100,000</u>

Details of shares shown as liabilities are as follows:

#### Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021	2020
			£	£
100,000	Preference	£1	<u>100,000</u>	<u>100,000</u>

### 18. LEASING AGREEMENTS

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

	2021	2020
	£	£
Within one year	10,357	6,567
Between one and five years	30,960	20,682
In more than five years	-	1,530
	<u>41,317</u>	<u>28,779</u>

# WELEDA (U.K.) LIMITED

## Notes to the Financial Statements - continued FOR THE YEAR ENDED 31 DECEMBER 2021

### 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:

	2021 £	2020 £
Financial assets that are debt instruments		
Trade debtors	3,176,552	1,807,307
Other debtors	25,314	9
Amounts owed by group undertakings	43,275	89,914
Financial liabilities		
Trade creditors	471,998	406,423
Amounts owed to group undertakings	7,410,346	6,684,681
Other creditors, accruals and deferred income	1,043,485	489,748
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 (2020: £nil).

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

	2021 £	2020 £
Financial liabilities measured at fair value		
Amounts owed to group undertakings	-	-

### 20. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2021		2020	
	No.	£	No.	£
<b>Amounts presented in equity:</b>				
Ordinary shares of £1 each	1,395,000	1,395,000	1,395,000	1,395,000
<b>Amounts presented in liabilities:</b>				
Preference shares of £1 each	100,000	100,000	100,000	100,000

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 (2020: 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.



## **WELEDA (U.K.) LIMITED**

### **Notes to the Financial Statements - continued FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **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

## Notes to the Financial Statements - continued FOR THE YEAR ENDED 31 DECEMBER 2021

### 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 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 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 last actuarial valuation of the Scheme was performed by the Scheme Actuary for the Trustee as at 29 December 2018. This valuation revealed a funding shortfall of £2.147 million.

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 2022, equal to 50% of the current ongoing funding shortfall (having previously paid £1,060,000 in February 2019, £428,500 in February 2020 and £275,500 in February 2021).

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

	2021 £	2020 £
Defined benefit pension plan asset	8,035,000	7,861,000
Defined benefit pension plan liability	(6,306,000)	(6,664,000)
Net defined benefit asset/(liability)	1,729,000	1,197,000
Restriction on scheme assets	(1,729,000)	(1,197,000)
Total asset/(liability) recognised	-	-

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

	2021 £
At January 2021	6,664,000
Interest expense	79,000
Benefits paid	(188,000)
Past service costs	-
Remeasurements:	
Actuarial gains/(losses)	(249,000)
At 31 December 2021	6,306,000

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

	2021 £
At January 2021	7,861,000
Interest income	79,000
Benefits paid	(188,000)
Contributions by employer	276,000
Administrative expenses	(44,000)
Remeasurements:	
Return on plan assets, excluding amount included in interest income	51,000
At 31 December 2021	8,035,000

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

# WELEDA (U.K.) LIMITED

## Notes to the Financial Statements - continued FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Recognised in profit or loss:		
Past service costs	-	4,000
Administrative expenses	44,000	51,000
	<u>44,000</u>	<u>55,000</u>
Recognised in other comprehensive income:		
Actuarial gains/(losses) on defined benefit obligation	249,000	(1,355,000)
Actual return on assets less interest	51,000	613,000
Limit on recognition of assets less interest	(532,000)	368,000
	<u>(232,000)</u>	<u>(374,000)</u>

The return on the plan assets are as follows:

	2021 £	2020 £
Return on assets of benefit plan	<u>51,000</u>	<u>613,000</u>

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

	2021 %	2020 %
Discount rate	1.80	1.20
Mortality rates:		
Current pensioners at 65 - male	21.90	21.90
Current pensioners at 65 - female	24.30	24.30
Future pensioners at 65 - male	23.20	23.30
Future pensioners at 65 - female	25.70	25.70
Rate of increase of pensions in payment - pensions accrued between 6 April 1997 to 5 April 2005	2.95	2.45
Rate of increase of pensions in payment - pensions accrued after 5 April 2005	2.20	1.95
Rate of increase of pensions in payment - pensions accrued post 88 GMP's	2.45	2.15
Rate of increase of pensions in deferment	<u>2.90</u>	<u>2.45</u>

### 23. RELATED PARTY DISCLOSURES

During the year, the company purchased goods and services to the value of £3,946,267 (2020: £3,367,444) from fellow group companies. The company also sold goods and services to the value of £322,640 (2020: £179,551) to fellow group companies.

Management fees of £520,753 (2020: £435,938) were paid to a fellow group company during the year.

	2021 £	2020 £
Amounts due to fellow group companies at the year end	7,239,097	6,684,681
Amounts due from fellow group companies at the year end	113,054	89,914

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

Key management personnel compensation in the year totalled £182,910 (2020: £174,205).

## **WELEDA (U.K.) LIMITED**

### **Notes to the Financial Statements - continued FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **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.