Adherium Europe Ltd

Unaudited Financial Statements

Year Ended

30 June 2018

Company Number 10071813

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Adherium Europe Ltd

Registered number: 10071813

Balance sheet
As at 30 June 2018

	Note		2018 £		2017 £
Fixed assets					
Tangible assets	4		**7,591**		989
			7,591		989
Current assets					
Debtors: amounts falling due within one year	5	**16,086**		14,757	
		16,086		14,757	
Creditors: amounts falling due within one year	6	**(882,382)**		(540,615)	
Net current liabilities			**(866,296)**		(525,858)
Total assets less current liabilities			**(858,705)**		(524,869)
Net liabilities			**(858,705)**		(524,869)
Capital and reserves					
Called up share capital	7		**100**		100
Profit and loss account			**(858,805)**		(524,969)
			(858,705)		(524,869)

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 statement of income and retained earnings 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 11 January 2019

R M Turnbull
Director

The notes on pages 2 to 6 form part of these financial statements.

1. General information

Adherium Europe Ltd is a private company incorporated in England and Wales under the Companies Act. It is a company limited by shares. The address of the registered office is 20 - 22 Bedford Row, London WC1R 4JS.

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 comparatives represent a 16 month period to 30 June 2017 and so are not directly comparable.

The following principal accounting policies have been applied:

2.2 Going concern

At the balance sheet date the company had net current liabilities of £866,296 (2017: £525,858). The ability of the company to continue trading is dependent on the continued support of the parent company.

The parent company have confirmed they will continue to provide the support and on this basis consider it appropriate to prepare the financial statements on the going concern basis.

The financial statements do not include any adjustments that would result from the withdrawal of support by the parent company.

2.3 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

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.

2.4 Turnover

No turnover has been generated for the period. The company is responsible for business development and moving forward, the sale of the parent, Adherium Limited's products. Turnover will comprise of revenue recognised by the company in respect of goods supplied during the period, exclusive of Value Added Tax and trade discounts.

2. Accounting policies (continued)

2.5 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as shown below.

Depreciation is provided on the following basis:

Fixtures and fittings	-	15% on a straight line basis per annum
Computer equipment	-	33% on a reducing balance basis per annum

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of income and retained earnings.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

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

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market

2. Accounting policies (continued)

2.9 Financial instruments (continued)

rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are 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 statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a 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.

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

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.

3. Employees

Staff costs were as follows:

The average monthly number of employees, including directors, during the year was 4 (2017 - 4).

4. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
At 1 July 2017	**1,067**	**125**	**1,192**
Additions	**7,787**	**-**	**7,787**
At 30 June 2018	**8,854**	**125**	**8,979**
Depreciation			
At 1 July 2017	**161**	**42**	**203**
Charge for the year	**1,141**	**44**	**1,185**
At 30 June 2018	**1,302**	**86**	**1,388**
Net book value			
At 30 June 2018	**7,552**	**39**	**7,591**
At 30 June 2017	906	83	989

5. Debtors

	2018 £	2017 £
Other debtors	**14,639**	11,801
Prepayments and accrued income	**1,447**	2,956
	16,086	14,757

6. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	**5,046**	19,338
Amounts owed to group undertakings	**794,302**	513,547
Other creditors	**83,034**	7,730
	882,382	540,615

7. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
1 Ordinary share of £100	**100**	100

8. Related party transactions

At the year end the company owed £794,302 (2017: £513,547) to Adherium Limited, the parent company.

9. Controlling party

The company is a wholly owned subsidiary of Adherium Limited which is the ultimate parent company incorporated in Australia.