

Admenta Holdings Limited
Financial Statements
31 March 2017



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Admenta Holdings Limited

Financial Statements

Year ended 31 March 2017

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Admenta Holdings Limited

Strategic Report

Year ended 31 March 2017

The directors present their strategic report for the year ended 31 March 2017.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company's principal activity is that of an investment company of which its subsidiaries are involved in the wholesaling and retailing of pharmaceutical products.

The pharmaceutical wholesale and retail markets continue to be highly competitive. With the strategies adopted by the subsidiaries the directors believe the performance of the company's investments in the year was satisfactory. During the year subsidiaries of the company acquired several businesses where there were opportunities either to significantly increase market share (acquisition of the instore pharmacies from J Sainsbury plc by Lloyds Pharmacy Limited and acquisition of Sanger (NI) Ltd by AAH Pharmaceuticals Limited) or to expand into new business areas (acquisition of the BUPA Home Healthcare business by Lloyds Pharmacy Limited and the MASTA business by AAH Pharmaceutical Limited).

Towards the end of 2016 the Department of Health made various reductions to pharmacy remuneration in England and these have had an adverse impact on the performance of the Lloyds pharmacy business. Those reductions have been extended into and further increased into the new financial year. Actions are ongoing to mitigate the effect of those cuts but, nevertheless, it is considered that the Lloyds pharmacy business will be significantly impacted in the 2017-18 financial year.

Principal risks and uncertainties

The key business risk to the investment activity of the company is the performance of its investments. The management of the subsidiaries and the execution of their strategies are subject to a number of key risks. The directors of the company are also on the board of other subsidiary companies, therefore risks are formally reviewed by the boards of these entities and appropriate processes are put in place to monitor and mitigate them.

The company is also exposed to a variety of financial risks, which include liquidity, foreign currency and interest rate risk. The company has employed a programme that seeks to manage and limit any adverse effects of these risks on the financial performance of the company, which are described in more detail below.

The directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board, although use is made of a central treasury function which arranges the overall funding requirements of the UK group of companies of which Admenta Holdings Limited is a member.

Liquidity risk: the company participates in the banking arrangements of the UK group, which are arranged with the assistance of the central treasury function. The UK group funds its operations through a mix of retained earnings, borrowings and leasing that is designed to ensure that the company has sufficient funds for its day to day operations and other activities. Cash flow requirements are monitored through rolling projections which are compiled across the group.

Foreign currency and interest rate risk: the subsidiaries affected by foreign currency risk use instruments to manage this risk. The company also has both interest bearing assets and liabilities, these being managed within the UK group.

Key performance indicators (KPIs)

Given the nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Admenta Holdings Limited

Strategic Report *(continued)*

Year ended 31 March 2017

Treasury management

The Company's treasury activities are co-ordinated through the central treasury function and overseen by a group treasury committee. The central treasury function operates within a framework of clearly defined Board approved policies and procedures including permissible funding and hedging instruments, exposure limits and a system of authorities for approval and execution of transactions.

The central treasury function prepares monthly reports for the divisional boards as well as reports for the corporate treasury function of their immediate parent company, Celesio AG. The central treasury function is subject to regular review by Internal Auditors.

Funding and Liquidity

The Company funds its operations through a mixture of retained reserves and borrowings including bank and capital market borrowings and leasing.

Company facilities and their structure are agreed with the Celesio corporate treasury function and the funds raised are either directly lent to operating subsidiaries or are lent from Admenta Holdings Limited on commercial arm's length terms.

The Company's policy is to minimise cash held whilst ensuring that adequate loan facilities are in place for the next five years. Cash flow requirements are monitored through the Company's rolling projection. The borrowing strategy seeks to ensure that interest rate risk is kept below 50% of total borrowing.

Financial risk management

The financial risks are managed by fellow group company Admenta UK Limited. The management of these risks are discussed in the Admenta UK Limited financial statements.

Future developments

Given the straight forward nature of the business, there are no future developments to note. The company will continue to act as an investment company.

This report was approved by the board of directors on 13 December 2017 and signed on behalf of the board by:



H M Lipp
Director

Registered office:
Sapphire Court
Walsgrave Triangle
Coventry
United Kingdom
CV2 2TX

Admenta Holdings Limited

Directors' Report

Year ended 31 March 2017

The directors present their annual report and the audited financial statements of the company for the year ended 31 March 2017.

Principal activities

The company's principal activity is that of an investment company of which its subsidiaries are involved in the wholesaling and retailing of pharmaceutical products.

Results and dividends

The loss for the year amounted to £178,849,000 (year ended 31 March 2016: loss of £4,410,000). Particulars of dividends paid are detailed in note 13 to the financial statements.

Directors

The directors who served the company during the year and up to the date of signing this report were as follows:

C Tobin	(Resigned 2 November 2017)
N Swift	
H Stables	(Appointed 1 April 2016)
H M Lipp	(Appointed 6 December 2016)
C McDermott	(Appointed 3 October 2016)
J R Poole	(Appointed 15 August 2016)
T Beer	(Resigned 21 December 2016)
M Hilger	(Appointed 1 October 2017)

Qualifying indemnity provision

Liability insurance, a qualifying third party indemnity provision for the purposes of the Companies Act 2006 was provided for the UK directors by McKesson Europe AG, an intermediate parent entity. On the date of approval of the financial statements liability insurance was also in force.

Going concern

The company has the support of a parent company, Admenta UK Limited, and for this reason the directors consider it to be a going concern.

Disclosure of information in the strategic report

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, more specifically information relating to future developments and financial risk management.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the Annual Report 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 the profit or loss of the company for that period.

Admenta Holdings Limited

Directors' Report *(continued)*

Year ended 31 March 2017

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act.

This report was approved by the board of directors on 13 December 2017 and signed on behalf of the board by:


H M Lipp
Director

Registered office:
Sapphire Court
Walsgrave Triangle
Coventry
United Kingdom
CV2 2TX

Admenta Holdings Limited

Independent Auditor's Report to the Members of Admenta Holdings Limited

Year ended 31 March 2017

We have audited the financial statements of Admenta Holdings Limited for the year ended 31 March 2017 which comprise the statement of income and retained earnings, statement of financial position and the related notes 1 to 25. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 an auditor's 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 auditor

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the strategic report and the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its loss 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.

Admenta Holdings Limited

Independent Auditor's Report to the Members of Admenta Holdings Limited *(continued)*

Year ended 31 March 2017

Opinion on other matter 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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 any material misstatements in the strategic report and the directors' report.

Matters on which we are required to report by exception

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.



Ryan Duffy (Senior Statutory Auditor)

For and on behalf of
Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom

13 December 2017

Admenta Holdings Limited

Statement of Income and Retained Earnings

Year ended 31 March 2017

	Note	2017 £000	2016 £000
Administrative expenses		(10,640)	(558)
Other operating income	5	—	65
Operating loss	6	(10,640)	(493)
Exceptional item: Impairment losses	6	(262,240)	-
Income from shares in group undertakings	9	93,331	2,729
Other interest receivable and similar income	10	22,711	19,239
Interest payable and similar expenses	11	(22,201)	(27,619)
Loss before taxation		(179,039)	(6,144)
Tax on loss	12	190	1,734
Loss for the financial year and total comprehensive loss		<u>(178,849)</u>	<u>(4,410)</u>
Dividends paid and payable	13	(80,000)	—
Retained earnings at the start of the year		3,895	8,305
Retained (losses)/earnings at the end of the year		<u>(254,954)</u>	<u>3,895</u>

All the activities of the company are from continuing operations.

The notes on pages 9 to 23 form part of these financial statements.

Admenta Holdings Limited

Statement of Financial Position

31 March 2017

	Note	2017 £000	2016 £000
Fixed assets			
Tangible assets	14	68	69
Investments	15	482,194	754,767
		<u>482,262</u>	<u>754,836</u>
Current assets			
Debtors	16	396,921	132,839
Creditors: amounts falling due within one year	17	<u>(1,107,809)</u>	<u>(857,117)</u>
Net current liabilities		<u>(710,888)</u>	<u>(724,278)</u>
Total assets less current liabilities		<u>(228,626)</u>	<u>30,558</u>
Provisions	18	<u>(816)</u>	<u>(1,151)</u>
Net (liabilities)/assets		<u>(229,442)</u>	<u>29,407</u>
Capital and reserves			
Called up share capital	20	11,150	11,150
Share premium account	21	14,362	14,362
Profit and loss account	21	<u>(254,954)</u>	<u>3,895</u>
Shareholders (deficit)/funds		<u>(229,442)</u>	<u>29,407</u>

These financial statements were approved by the board of directors and authorised for issue on 13 December 2017, and are signed on behalf of the board by:


H M Lipp
Director

Company registration number: 00244282

The notes on pages 9 to 23 form part of these financial statements.

Admenta Holdings Limited

Notes to the Financial Statements

Year ended 31 March 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Sapphire Court, Walsgrave Triangle, Coventry, CV2 2TX, United Kingdom.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The company relies on its parent company for financial support and the financial statements have been prepared on a going concern basis which assumes that the company will continue in existence for the foreseeable future. The directors have received confirmation that this support remains in place.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Consolidated financial statements

The financial statements contain information about Admenta Holdings Limited as an individual company, rather than consolidated information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements as its results are included by full consolidation in the financial statements of its ultimate parent, McKesson Corporation, a company registered in North America.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of McKesson Corporation which can be obtained from McKesson Corporation, One Post Street, San Francisco, CA 94104, United States. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

No cash flow statement has been presented for the company.

Disclosures in respect of financial instruments have not been presented.

No disclosure has been given for the aggregate remuneration of key management personnel.

Admenta Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

3. Accounting policies *(continued)*

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for accounting and taxation purposes. Deferred tax liabilities are provided in full but deferred tax assets are recognised only to the extent it is considered more likely than not that the associated tax deduction can be utilised on their reversal. Deferred tax liabilities and assets are not discounted.

Operating leases

Rental costs are related to operating leases that are charged to the profit and loss account on a straight line basis over the lease term. Rental income is recognised in the profit and loss account, as and when they are accrued.

Tangible fixed assets

Tangible fixed assets are stated at cost less provision for depreciation. Cost comprises the purchase cost together with any incidental expenses of acquisition.

Depreciation and impairment of fixed assets

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 Buildings - 2% on a straight line basis

Freehold land is not depreciated.

Depreciation is calculated by reference to the expected lives of the assets concerned. Additional depreciation may be charged where directors consider there to have been an impairment in the underlying value of an asset.

The basis for any impairment write down of fixed assets is by reference to the higher of the post tax net realisable value and the value in use of those assets. The value in use is determined through discounting all future cash flows using a risk adjusted rate. The risk adjusted rate is based upon the weighted average cost of capital of the intermediate parent company, Celesio AG, as used within internal investment appraisal mechanisms.

Investments

Shares in group companies are shown at historic cost less any necessary write down for impairment.

Quoted investments are shown at fair value.

Admenta Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

3. Accounting policies *(continued)*

Provisions

Provision is made in the financial statements for present obligations arising from past events, where there is a high degree of certainty as to their amount and date of settlement. Where there is a potential obligation based on a past event which will probably result in the company's assets being utilised, or amounts due upon the realisation of the obligation cannot be estimated with sufficient reliability, no provision is made, but a contingent liability is disclosed in the financial statements. Where utilisation of assets is deemed to be remote, no provision or disclosure is made. Provisions are discounted at an applicable rate determined by management.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Admenta Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors have considered the Statement of Income and Retained Earnings, the Statement of Financial Position and the Company's accounting policies and consider the impairment loss to be only area of critical accounting judgement or key sources of estimation uncertainty.

The basis for any impairment write down of investments is by reference to the higher of the post tax net realisable value and the value in use of those assets. For the purposes of determining any impairment the income generating unit takes account of associated cash flows within the Admenta UK Limited group.

The value in use is determined through discounting all future cash flows using a risk adjusted rate. The risk adjusted rate is based upon the weighted average cost of capital of the parent company, McKesson Europe AG, as used within internal investment appraisal mechanisms.

5. Other operating income

	2017 £000	2016 £000
Rental income	—	65

6. Operating loss

Operating profit or loss is stated after charging:

	2017 £000	2016 £000
Depreciation of tangible assets	1	1
Impairment of intangible assets recognised in:		
Administrative expenses	262,240	—
Loss on disposal of subsidiaries	10,431	729
Impairment losses on investment in subsidiaries	262,240	—
(Loss)/gain on quoted investments	152	(302)
Operating lease rentals	—	65

Auditor's remuneration for the audit of the company's financial statements of £4,000 (2016: £4,000) has been borne by Lloyds Pharmacy Limited, a fellow group company and not recharged. No non-audit services have been provided by the auditor during the year (2016: nil).

Admenta Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

7. Directors' emoluments

The emoluments of Mr Beer were paid by a fellow subsidiary company, AAH Pharmaceuticals limited, which makes no recharge to the company. Mr Beer was a director of a number of fellow subsidiary companies and it is impossible to make an accurate apportionment of their emoluments in respect of each of these companies. Accordingly no emoluments in respect of Mr Beer are disclosed. His emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of AAH Pharmaceuticals limited.

The emoluments of all other directors are paid by a fellow subsidiary company, Lloyds Pharmacy limited, which makes no recharge to the company. All other directors of this company are also directors of a number of fellow subsidiary companies and it is impossible to make an accurate apportionment of their emoluments in respect of each of these companies. Accordingly no emoluments in respect of these directors are disclosed. Their emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of Lloyds Pharmacy limited.

8. Particulars of employees

The company had no employees during the year, other than executive directors (2016: nil).

9. Income from shares in group undertakings

	2017	2016
	£000	£000
Income from group undertakings	<u>93,331</u>	<u>2,729</u>

10. Other interest receivable and similar income

	2017	2016
	£000	£000
Interest from group undertakings	<u>22,711</u>	<u>19,239</u>

11. Interest payable and similar expenses

	2017	2016
	£000	£000
Interest on banks loans and overdrafts	33	78
Interest due to group undertakings	<u>22,168</u>	<u>27,541</u>
	<u>22,201</u>	<u>27,619</u>

Admenta Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

12. Tax on loss

Major components of tax income

	2017 £000	2016 £000
Current tax:		
UK current tax income	(127)	(1,689)
Adjustments in respect of prior periods	(63)	(45)
Total current tax	<u>(190)</u>	<u>(1,734)</u>
Tax on loss	<u>(190)</u>	<u>(1,734)</u>

Reconciliation of tax income

The tax assessed for the year is higher than (2016: lower than) the standard rate of corporation tax in the UK of 20% (2016: 20%).

	2017 £000	2016 £000
Loss before taxation	<u>(179,039)</u>	<u>(6,144)</u>
Loss by rate of tax	(35,808)	(1,229)
Adjustment to tax charge in respect of prior periods	(63)	(45)
Impairment loss not deductible	52,448	–
Income not subject to tax	(16,799)	(460)
Other permanent differences	32	–
Tax on loss	<u>(190)</u>	<u>(1,734)</u>

Factors that may affect future tax income

Reductions to the rate of corporation tax to 19% (effective 1 April 2017) and 17% (effective 1 April 2020) have now been enacted. The impact of any resulting changes to the valuation of any deferred tax assets and liabilities is reflected within the financial statements.

13. Dividends

	2017 £000	2016 £000
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	<u>80,000</u>	<u>–</u>

Admenta Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

14. Tangible assets

	Land and buildings £000
Cost	
At 1 Apr 2016 and 31 Mar 2017	105
Depreciation	
At 1 April 2016	36
Charge for the year	1
At 31 March 2017	37
Carrying amount	
At 31 March 2017	68
At 31 March 2016	69

15. Investments

	Shares in subsidiaries £000	Quoted investments £000	Total £000
Cost			
At 1 April 2016	782,387	4,450	786,837
Additions	249	–	249
Disposals	(10,430)	–	(10,430)
At 31 March 2017	772,206	4,450	776,656
Impairment			
At 1 April 2016	28,142	3,928	32,070
Impairment losses	262,240	152	262,392
At 31 March 2017	290,382	4,080	294,462
Carrying amount			
At 31 March 2017	481,824	370	482,194
At 31 March 2016	754,245	522	754,767

Admenta Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

15. Investments *(continued)*

The movements in shares in subsidiaries are as a result of the company receiving dividends and injecting share capital in the process of striking of a number of dormant subsidiary companies during the year.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

The market value of the quoted investments was £370,000 at 31 March 2017 (2016: £522,000).

An impairment loss of £262,240,000 was recognised in the year in relation to investment in subsidiaries. Investments were written down to their value in use based on the methodology described in note 4.

Admenta Holdings Limited owns the whole of the issued share capital of the companies listed below. This is a list of principal investments only.

Subsidiary	Nature of business	Class of capital	% held
AAH Pharmaceuticals Limited	Healthcare services	£1 ordinary shares	100
Lloyds Pharmacy Limited	Retail pharmacies	£1 ordinary shares	100
AAH Lloyds Insurance (IOM) Limited	Insurance	£1 ordinary shares	100
Barclay Pharmaceuticals Limited	Wholesale distribution	£1 ordinary shares	100

A full list of all investments, direct and indirect, is included in note 25 - appendix A. All investments are in UK companies and have the same registered address as Admenta Holdings Limited. The only exceptions to this are Stephen Smith Limited which is incorporated in Guernsey, GJ Maley Limited and AAH Lloyds Insurance (IOM) Limited which are incorporated in the Isle of Man and Savory & Moore (Jersey) Limited which is incorporated in Jersey. Registered offices for these companies are stated below.

Name	Registered office
Stephen Smith Limited	PO Box 25, Regency Court, Glatigny Esplanade, St Peter Port, Guernsey, GY1 3AP
GJ Maley Limited	22 Woodbourne Road, Douglas, Isle of Man, IM1 3AL
AAH Lloyds Insurance (IOM) Limited	Third Floor, St George's Court, Upper Church Street, Douglas, IM1 1EE, Isle of Man
Savory & Moore (Jersey) Limited	11 Bath Street, St Helier, Jersey, JE2 4ST

16. Debtors

	2017 £000	2016 £000
Amounts owed by group undertakings	–	3,454
Amounts owed by subsidiaries	396,794	124,459
Corporation tax repayable	127	4,915
Other debtors	–	11
	<u>396,921</u>	<u>132,839</u>

Of the amounts owed by subsidiaries, £14,176,000 (2016: £14,204,000) is due on demand and interest charged is equivalent to the overall cost of borrowing for the UK Group of 3.71% (2016: 4.41%). Also within amounts owed by subsidiaries is an amount of £24,127,000 (2016: nil), which is due on demand and attracts interest at 2.16%. The remaining balance is due on demand and does not attract interest.

Admenta Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

17. Creditors: amounts falling due within one year

	2017	2016
	£000	£000
Bank overdrafts	43,098	73,024
Amounts owed to group undertakings	907,120	778,379
Amounts owed to subsidiaries	157,562	5,670
Accruals and deferred income	20	20
Loan notes	9	24
	<u>1,107,809</u>	<u>857,117</u>

Interest is payable on the loan notes at rates which vary between base and deposit rates. The amount owed to other group undertakings is payable on demand and represents interest free loans.

Bank overdrafts relate to the cash position of the company. The company is part of a cash pooling arrangement, whereby the combined cash position of all companies in the arrangement attracts interest at market rates.

18. Provisions

	Property £000
At 1 April 2016	1,151
Charge against provision	(335)
At 31 March 2017	<u>816</u>

The property provision represents an assessment of the costs to cover rent and rates for vacant leasehold premises, taking account of the anticipated period required to let the properties and achieve a rental return. The assessment, which is undertaken at the end of each accounting period, is made on a property by property basis in conjunction with the group's property services department and takes account of actual and anticipated sub-let arrangements.

19. Deferred taxation

The company had no liability for deferred taxation at 31 March 2017 (2016: nil).

20. Called up share capital

Issued, called up and fully paid

	2017		2016	
	No.	£000	No.	£000
Ordinary shares of £1 each	<u>11,150,000</u>	<u>11,150</u>	<u>11,150,000</u>	<u>11,150</u>

21. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

Share premium account - This reserve records the amount above the nominal value received for shares issued, less transaction costs.

Admenta Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

22. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2017 £000	2016 £000
Not later than 1 year	94	175
Later than 1 year and not later than 5 years	374	374
Later than 5 years	5,889	5,983
	<u>6,357</u>	<u>6,532</u>

23. Related party transactions

The company has not disclosed transactions with fellow group companies which are 100% owned, in accordance with the exemption under the terms of FRS102.33.1A - "Related party disclosures".

24. Controlling party

The immediate parent undertaking is AAH Limited.

The ultimate parent undertaking and controlling party of the Company is McKesson Corporation, a company registered in North America.

Consolidated financial statements for the largest group of undertakings are prepared by McKesson Corporation and may be obtained from its registered office McKesson Corporation, One Post Street, San Francisco, CA 94104, United States.

Consolidated financial statements for the smallest group of companies are prepared by McKesson Europe AG and may be obtained from its registered office McKesson Europe AG, Stockholmer Platz 1, 70173 Stuttgart, Germany.

25. Appendix A – List of investments

Subsidiary	Nature of Business	Class of Capital	% Held	Direct/ Indirect
30MC Limited	Dormant company	£1 Ordinary shares	100	Indirect
Expert Health Limited	Online Health	£1 Ordinary shares	100	Indirect
2012 Dream Limited	Dormant company	£1 Ordinary shares	100	Direct
A C Ferguson (Chemist) Limited	Dormant company	£1 Ordinary shares	100	Direct
A F Cannon (Dispensing Chemists) Limited	Dormant company	£1 Ordinary shares	100	Direct
A Miller (Chemist) Limited	Dormant company	£1 Ordinary shares	100	Direct
A. Suthrell (Haulage) Limited	Dormant company	£1 Ordinary shares	100	Direct
AAH Builders Suppliers Limited	Dormant company	£1 Ordinary shares	100	Direct
AAH Eighteen Limited	Dormant company	£1 Ordinary shares	100	Direct

Admenta Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

25. Appendix A – List of investments *(continued)*

Subsidiary	Nature of Business	Class of Capital	% Held	Direct/ Indirect
AAH Furb Pension Trustee Limited	Dormant company	£1 Ordinary shares	100	Direct
AAH Glass & Windows Limited	Dormant company	£1 Ordinary shares	100	Direct
AAH Lloyds Insurance (IOM) Limited	Insurance company	£1 Ordinary shares	100	Direct
AAH Lloyds Pension Trustees Limited	Dormant company	£1 Ordinary shares	100	Direct
AAH One Limited	Dormant company	£1 Ordinary shares	100	Direct
AAH Retail Pharmacy Limited	Dormant company	£1 Ordinary shares	100	Direct
AAH Twenty Five Limited	Dormant company	£1 Ordinary shares	100	Direct
AAH Twenty Four Limited	Dormant company	£1 Ordinary shares	100	Direct
AAH Twenty Limited	Dormant company	£1 Ordinary shares	100	Direct
AAH Twenty Three Limited	Dormant company	£1 Ordinary shares	100	Direct
AAH Twenty Two Limited	Dormant company	£1 Ordinary shares	100	Direct
Acme Drug Company Limited	Dormant company	£1 Ordinary shares	100	Direct
Added Marketing Limited	Dormant company	£1 Ordinary shares	100	Direct
Admenta Pension Trustees Limited	Dormant company	£1 Ordinary shares	100	Direct
Anson Trading Limited	Dormant company	£1 Ordinary shares	100	Direct
Archsilver Limited	Dormant company	£1 Ordinary shares	100	Direct
Barry Shooter (Romford) Limited	Dormant company	£1 Ordinary shares	100	Direct
Barton Pharmacy (Torquay) Limited	Dormant company	£1 Ordinary shares	100	Direct
Benson Pharmacy Limited	Dormant company	£1 Ordinary shares	100	Direct
Berkshire Medical Supplies Limited	Dormant company	£1 Ordinary shares	100	Direct
Big Pharma Limited	Dormant company	£1 Ordinary shares	100	Direct
Blakey And Griffin Limited	Dormant company	£1 Ordinary shares	100	Direct
Brian Corps (Chemist) Limited	Dormant company	£1 Ordinary shares	100	Direct
Bridport Medical Centre Services Limited	Dormant company	£1 Ordinary shares	100	Direct
C H Pomeroy Limited	Dormant company	£1 Ordinary shares	100	Direct
Caronet Trading Limited	Dormant company	£1 Ordinary shares	100	Direct
Castlereagh Pharmaceuticals Limited	Dormant company	£1 Ordinary shares	100	Direct
Celesio Uk Healthcare (A) Limited	Dormant company	£1 Ordinary shares	100	Direct
Celesio Uk Healthcare (B) Limited	Dormant company	£1 Ordinary shares	100	Direct
Clark Munro Limited	Dormant company	£1 Ordinary shares	100	Direct
Clarke Care Group Limited	Dormant company	£1 Ordinary shares	100	Direct

Admenta Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

25. Appendix A – List of investments *(continued)*

Subsidiary	Nature of Business	Class of Capital	% Held	Direct/ Indirect
CMR Holdings (Uk) Limited	Dormant company	£1 Ordinary shares	100	Direct
Craig & Lovering Limited	Dormant company	£1 Ordinary shares	100	Direct
D.F. Brint (Portishead) Limited	Dormant company	£1 Ordinary shares	100	Direct
David J. Thomas Limited	Dormant company	£1 Ordinary shares	100	Direct
David Low (Chemists) Limited	Dormant company	£1 Ordinary shares	100	Direct
David Tauber Limited	Dormant company	£1 Ordinary shares	100	Direct
Donald Munro Limited	Dormant company	£1 Ordinary shares	100	Direct
Dr Thom Billing Limited	Dormant company	£1 Ordinary shares	100	Direct
Eclipse Healthcare Limited	Dormant company	£1 Ordinary shares	100	Direct
Farillon Limited	Dormant company	£1 Ordinary shares	100	Direct
Fendgrove Limited	Dormant company	£1 Ordinary shares	100	Direct
Ferax Limited	Dormant company	£1 Ordinary shares	100	Direct
Firth & Pilling Limited	Dormant company	£1 Ordinary shares	100	Direct
Foster & Plumpton Group Limited	Dormant company	£1 Ordinary shares	100	Direct
Foster & Plumpton Limited	Dormant company	£1 Ordinary shares	100	Direct
Foster Pharmaceuticals Limited	Dormant company	£1 Ordinary shares	100	Direct
Fullpad Limited	Dormant company	£1 Ordinary shares	100	Direct
Gamecrest Limited	Dormant company	£1 Ordinary shares	100	Direct
Gordons Pharmacy Limited	Dormant company	£1 Ordinary shares	100	Direct
Gowcharm Limited	Dormant company	£1 Ordinary shares	100	Direct
GPL 2007 Limited	Dormant company	£1 Ordinary shares	100	Direct
Graeme Pharmacy (Stirling) Limited	Dormant company	£1 Ordinary shares	100	Direct
Hammond Hopkins Limited	Dormant company	£1 Ordinary shares	100	Direct
HE Niblett Limited	Dormant company	£1 Ordinary shares	100	Direct
Health Needs Limited	Dormant company	£1 Ordinary shares	100	Direct
Healthclass Limited	Dormant company	£1 Ordinary shares	100	Direct
Herbert Ferryman Limited	Dormant company	£0.10 Ordinary shares	100	Direct
Hillcross Pharmaceuticals Limited	Dormant company	£1 Ordinary shares	100	Direct
Hills Pharmaceuticals Limited	Dormant company	£1 Ordinary shares	100	Direct
Hill-Smith (Warrington) Limited	Dormant company	£1 Ordinary shares	100	Direct
Houghton And Lappin Limited	Dormant company	£1 Ordinary shares	100	Direct
Hywel Davies (Caerphilly) Limited	Dormant company	£1 Ordinary shares	100	Direct

Admenta Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

25. Appendix A – List of investments *(continued)*

Subsidiary	Nature of Business	Class of Capital	% Held	Direct/ Indirect
Independent Pharmacy Care Centres (2008) Limited	Dormant company	£1 Ordinary shares	100	Direct
Inspiron Distribution Limited	Dormant company	£1 Ordinary shares	100	Direct
IPCC Limited	Dormant company	£1 Ordinary shares	100	Direct
J S Dent Limited	Dormant company	£1 Ordinary shares	100	Direct
John Robertson Butler & Son (Goring) Limited	Dormant company	£1 Ordinary shares	100	Direct
John Robertson Butler & Son (Newbury) Limited	Dormant company	£1 Ordinary shares	100	Direct
John Robertson Butler & Son (West Reading) Limited	Dormant company	£1 Ordinary shares	100	Direct
John Robertson Butler & Son Limited	Dormant company	£1 Ordinary shares	100	Direct
Jordans Pharmacy Limited	Dormant company	£1 Ordinary shares	100	Direct
Knowle Pharmacy Limited	Dormant company	£0.0001 Ordinary shares	100	Direct
Leema Consultancy Services Limited	Dormant company	£1 Ordinary shares	100	Direct
Levelcrown Limited	Dormant company	£1 Ordinary shares	100	Direct
Lloyds Retail Chemists Limited	Dormant company	£1 Ordinary shares	100	Direct
LPL One Limited	Dormant company	£1 Ordinary shares	100	Direct
M & J Holdings Limited	Dormant company	£1 Ordinary shares	100	Direct
M H Gill Limited	Dormant company	£1 Ordinary shares	100	Direct
M J F Limited	Dormant company	£1 Ordinary shares	100	Direct
M. & M.L. Grundy Limited	Dormant company	£1 Ordinary shares	100	Direct
Maceys Limited	Dormant company	£1 Ordinary shares	100	Direct
Medimart Limited	Dormant company	£1 Ordinary shares	100	Direct
Mount Pharmacy Limited	Dormant company	£1 Ordinary shares	100	Direct
Munro Pharmacy Limited	Dormant company	£1 Ordinary shares	100	Direct
Newkirk Pharmacy Limited	Dormant company	£1 Ordinary shares	100	Direct
Palemoda Limited	Dormant company	£1 Ordinary shares	100	Direct
Paul Wheeler Limited	Dormant company	£1 Ordinary shares	100	Direct
Peel Street Pharmacy Limited	Dormant company	£1 Ordinary shares	100	Direct
Pharmed Limited	Dormant company	£1 Ordinary shares	100	Direct
Presolve Limited	Dormant company	£1 Ordinary shares	100	Direct
Primelight Limited	Dormant company	£1 Ordinary shares	100	Direct
R J Mair Limited	Dormant company	£1 Ordinary shares	100	Direct
R.F Foskett & Son Limited	Dormant company	£1 Ordinary shares	100	Direct

Admenta Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

25. Appendix A – List of investments *(continued)*

Subsidiary	Nature of Business	Class of Capital	% Held	Direct/ Indirect
S E Burgess Limited	Dormant company	£1 Ordinary shares	100	Direct
Scholes (Chemist) Limited	Dormant company	£1 Ordinary shares	100	Direct
Selbys (Sussex) Limited	Dormant company	£1 Ordinary shares	100	Direct
St Matthews Pharmacy Limited	Dormant company	£1 Ordinary shares	100	Direct
Statim Finance Limited	Dormant company	£1 Ordinary shares	100	Direct
Summitlane Limited	Dormant company	£1 Ordinary shares	100	Direct
Superfield Limited	Dormant company	£1 Ordinary shares	100	Direct
T And I White Limited	Dormant company	£1 Ordinary shares	100	Direct
Terrapharma Limited	Dormant company	£1 Ordinary shares	100	Direct
Thurnby Rose Limited	Dormant company	£1 Ordinary shares	100	Direct
Trident Pharmaceuticals Limited	Dormant company	£1 Ordinary shares	100	Direct
Uscita Limited	Dormant company	£1 Ordinary shares	100	Direct
Vestric Limited	Dormant company	£1 Ordinary shares	100	Direct
Vestric Pensions Limited	Dormant company	£1 Ordinary shares	100	Direct
W Hedley Hewes Limited	Dormant company	£1 Ordinary shares	100	Direct
W. Jamieson (Chemists) Limited	Dormant company	£1 Ordinary shares	100	Direct
W.H.Chanter Limited	Dormant company	£1 Ordinary shares	100	Direct
Westclose Limited	Dormant company	£1 Ordinary shares	100	Direct
AAH Nominees Limited	Dormant company	£1 Ordinary shares	50	Direct
Stephen Smith Limited	Retail pharmacies	£1 Ordinary shares	43	Direct
G J Maley Limited	Retail pharmacies	£1 Ordinary shares	100	Direct
Savory & Moore (Jersey) Limited	Retail pharmacies	£1 Ordinary shares	90	Direct
Lloyds Pharmacy Limited	Retail pharmacies	£1 Ordinary shares	100	Direct
Evolution Homecare Services Limited	Healthcare services	£1 Ordinary shares	100	Direct
John Bell & Croyden Limited	Retail pharmacy	£0.25 Ordinary shares	100	Direct
Lloyds Properties Limited	Property services	£1 Ordinary shares	100	Direct
Pharmagen Limited	Dormant	£1 Ordinary shares	100	Direct
Barclay Pharmaceuticals Limited	Wholesale distribution	£1 Ordinary shares	100	Direct
Woodside Pharmacy (Glasgow) Limited	Retail pharmacy	£0.25 Ordinary shares	75	Direct
AAH Pharmaceuticals Limited	Wholesale distribution	£1 Ordinary shares	100	Direct
Baillieston Health Centre Pharmacy Limited	Health centre	£1 Ordinary shares	64	Direct

Admenta Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

25. Appendix A – List of investments *(continued)*

Subsidiary	Nature of Business	Class of Capital	% Held	Direct/ Indirect
Maryhill Dispensary Limited	Health centre	£0.25 Ordinary shares	50	Direct
John Hamilton (Pharmaceuticals) Limited	Dormant company	£1 Ordinary shares	100	Indirect
Escon (St Neots) Limited	Dormant company	£1 Ordinary shares	100	Indirect
AHLP Pharmacy Limited	Retail pharmacy	£1 A Ordinary shares	75	Indirect
28CVR Limited	Holding company	£0.10 Ordinary and A Ordinary shares	100	Indirect
Bridgeton Health Centre Pharmacy Limited	Retail pharmacy	£1 Ordinary shares	100	Indirect
Betterlifehealthcare Limited	Online retailer	£1 Ordinary A shares and £1 Ordinary B Shared	100	Indirect
Company Chemists Association Limited	Retail pharmacy	£1 Ordinary shares	27	Indirect
Sangers (Northern Ireland) Limited	Wholesale distribution	£1 Ordinary shares	100	Indirect
Lloyds Pharmacy Clinical Homecare Limited	Healthcare services	£1 Ordinary shares	100	Indirect
MASTA Limited	Traveller health services	£1 Ordinary shares	100	Indirect
Wrose Health Centre P.D. Limited	Health centre	£0.01 Ordinary shares	43	Indirect
Livingston Health Centre (P.D) Co. Limited	Dormant company	£0.01 Ordinary shares	100	Indirect