

FRANK JONES (CHEMIST) LIMITED
Filleter Annual Report and Unaudited Financial Statements
for the Year Ended 30 June 2018

Frank Jones (Chemist) Limited

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Frank Jones (Chemist) Limited

(Registration number: 00364946)

Statement of Financial Position as at 30 June 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	<u>4</u>	-	60,000
Tangible assets	<u>5</u>	87,926	98,456
		<u>87,926</u>	<u>158,456</u>
Current assets			
Stocks		92,646	87,654
Debtors	<u>6</u>	247,653	276,547
Cash at bank and in hand		172,936	227,448
		<u>513,235</u>	<u>591,649</u>
Creditors: Amounts falling due within one year	<u>7</u>	<u>(368,387)</u>	<u>(381,634)</u>
Net current assets		<u>144,848</u>	<u>210,015</u>
Total assets less current liabilities		232,774	368,471
Provisions for liabilities		<u>(11,352)</u>	<u>(12,208)</u>
Net assets		<u>221,422</u>	<u>356,263</u>
Capital and reserves			
Called up share capital		1,500	1,500
Profit and loss account		<u>219,922</u>	<u>354,763</u>
Total equity		<u>221,422</u>	<u>356,263</u>

For the financial year ending 30 June 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies' regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies' regime and the option not to file the Income Statement has been taken.

The notes on pages 3 to 9 form an integral part of these financial statements.

Frank Jones (Chemist) Limited

(Registration number: 00364946)

Statement of Financial Position as at 30 June 2018 (continued)

Approved and authorised by the Board on 29 November 2018 and signed on its behalf by:

.....

Mr G Clark

Director

.....

Mr K A Simpson

Director

The notes on pages 3 to 9 form an integral part of these financial statements.

Frank Jones (Chemist) Limited

Notes to the Financial Statements for the Year Ended 30 June 2018

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is 18 Ambleside Court, Chester le Street, County Durham, DH3 2EB.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

These financial statements are prepared in sterling which is the functional currency of the entity.

Judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Assessing indicators of impairment - In assessing whether there have been indicators of impairment of assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:.

Impairment of debtors - The company makes an estimate of the recoverable value of the trade and other debtors. When assessing impairment of trade and other debtor, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience..

Frank Jones (Chemist) Limited

Notes to the Financial Statements for the Year Ended 30 June 2018 (continued)

2 Accounting policies (continued)

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised when 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 and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold property	4% straight line
Fixtures and fittings	10% - 20% reducing balance
Motor vehicles	25% straight line
Computer equipment	33% straight line

Frank Jones (Chemist) Limited

Notes to the Financial Statements for the Year Ended 30 June 2018 (continued)

2 Accounting policies (continued)

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	Written off over 10 years

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Frank Jones (Chemist) Limited

Notes to the Financial Statements for the Year Ended 30 June 2018 (continued)

2 Accounting policies (continued)

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 20 (2017 - 18).

Frank Jones (Chemist) Limited

Notes to the Financial Statements for the Year Ended 30 June 2018 (continued)

4 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 July 2017	800,000	800,000
At 30 June 2018	800,000	800,000
Amortisation		
At 1 July 2017	740,000	740,000
Amortisation charge	60,000	60,000
At 30 June 2018	800,000	800,000
Carrying amount		
At 30 June 2018	-	-
At 30 June 2017	60,000	60,000

Frank Jones (Chemist) Limited

Notes to the Financial Statements for the Year Ended 30 June 2018 (continued)

5 Tangible assets

	Long leasehold land and buildings £	Fixtures and fittings £	Office equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 July 2017	75,000	139,697	18,523	8,995	242,215
Additions	-	1,757	-	-	1,757
At 30 June 2018	75,000	141,454	18,523	8,995	243,972
Depreciation					
At 1 July 2017	45,000	77,947	12,191	8,621	143,759
Charge for the year	3,000	6,831	2,082	374	12,287
At 30 June 2018	48,000	84,778	14,273	8,995	156,046
Carrying amount					
At 30 June 2018	27,000	56,676	4,250	-	87,926
At 30 June 2017	30,000	61,750	6,332	374	98,456

Included within the net book value of land and buildings above is £27,000 (2017 - £30,000) in respect of long leasehold land and buildings.

6 Debtors

	2018 £	2017 £
Trade debtors	175,374	149,209
Amounts owed by group undertakings	-	39,550
Prepayments	34,497	33,360
Other debtors	22,866	54,428
Corporation tax asset	14,916	-
	<u>247,653</u>	<u>276,547</u>

Frank Jones (Chemist) Limited

Notes to the Financial Statements for the Year Ended 30 June 2018 (continued)

7 Creditors

Creditors: amounts falling due within one year

	2018 £	2017 £
Due within one year		
Trade creditors	354,842	353,516
Amounts owed to group undertakings	480	-
Taxation and social security	1,967	1,687
Accruals and deferred income	3,893	3,823
Other creditors	7,191	7,678
Corporation tax liability	-	14,916
Directors loan accounts	14	14
	<u>368,387</u>	<u>381,634</u>

8 Financial commitments, guarantees and contingencies

Amounts not provided for in the statement of financial position

The total amount of financial commitments not included in the statement of financial position is £334,167 (2017 - £379,167).

The total amount of guarantees not included in the balance sheet is £2,445,051 (2017 - £1,157,549). The company has guaranteed certain borrowings of its parent undertaking.

Amounts disclosed in the balance sheet

Included in the balance sheet are pensions of £304 (2017 - £210).

9 Related party transactions

Summary of transactions with entities with joint control or significant interest

During the year the company paid £215,000 (2017: £nil) management charges to Clark Pharma Limited, the company's parent undertaking.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.