
ABC DRUG STORES LIMITED

UNAUDITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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ABC DRUG STORES LIMITED

COMPANY INFORMATION

Directors	Dr C Parkhurst Mr J C Patel (Sam) Miss H Patel
Company secretary	Miss H Patel
Registered number	02825947
Registered office	2 Peterwood Way Croydon Surrey CR0 4UQ

ABC DRUG STORES LIMITED

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ABC DRUG STORES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

Business review

The company forms part of the Day Lewis Plc Group retail business.

As disclosed in note 2.3, on 31 March 2021, the directors took the decision to hive-up the trade and assets of the company to Day Lewis Plc, a parent undertaking, after the year end (i.e. during the current year) and then cease trading. 23 pharmacies were transferred on 2 April 2021, a further 4 were transferred on 4 May 2021, and the last pharmacy was sold under a management agreement until the NHS license transferred to the new owner which completed in May 2022.

The directors consider that, as a consequence, the 'Principal risks and uncertainties' disclosure requirements in this Strategic Report are no longer relevant to the company. These disclosures are provided in the financial statements of the parent undertaking, Day Lewis Plc.

Financial key performance indicators

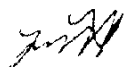
Turnover for the year was £0.3m (2021: £25.8m).

The gross margin decreased by 4.0% to 27.1% in 2022 (2021: 31.1%) based on a gross profit of £0.08m for the year (2021: £8.0m).

Total administrative costs decreased by £5.56m to £0.039m (2021: £5.6m).

Operating profit for the year decreased by £2.66m to £0.042m (2021: £2.7m)

This report was approved by the board and signed on its behalf.



Mr J C Patel (Sam)
Director

Date: 15 October 2022

ABC DRUG STORES LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

The Directors present their report and the financial statements for the year ended 31 March 2022.

Principal activity

During the year ended 31 March 2022, the company's principal activity was that of retail pharmacy.

On 31 March 2021, the Directors took the decision to hive-up the trade and assets of the company to Day Lewis Plc, a parent undertaking, and then cease trading. 23 pharmacies were transferred on 2 April 2021, a further 4 were transferred on 4 May 2021, and the last pharmacy was sold under a management agreement until the NHS license transfers to the new owner which completed in May 2022. As the Directors do not intend to acquire a replacement trade, they have not prepared the financial statements on a going concern basis. The effect of this is explained in note 2.

Results and dividends

The profit for the year, after taxation, amounted to £38,520 (2021 - £2,180,782).

The Directors have not recommended a dividend (2021: £nil)

Directors

The Directors who served during the year were:

Dr C Parkhurst
Mr J C Patel (Sam)
Miss H Patel

This report was approved by the board and signed on its behalf.



Mr J C Patel (Sam)
Director

Date: 15 October 2022

2 Peterwood Way
Croydon
Surrey
CR0 4UQ

ABC DRUG STORES LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Turnover	4	298,285	25,767,370
Cost of sales		(217,453)	(17,753,819)
Gross profit		80,832	8,013,551
Administrative expenses		(38,743)	(5,607,415)
Exceptional administrative expenses		-	195,585
Other operating income	5	-	75,733
Operating profit	6	42,089	2,677,454
Interest payable and similar expenses	9	(73)	(14,573)
Profit before tax		42,016	2,662,881
Tax on profit	10	(3,496)	(482,099)
Profit for the financial year		38,520	2,180,782

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2022 (2021: £NIL).

The notes on pages 6 to 21 form part of these financial statements.

ABC DRUG STORES LIMITED
REGISTERED NUMBER:02825947

BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Current assets			
Fixed assets held for sale	-	14,712,771	
Stocks	13	-	1,474,948
Debtors: amounts falling due within one year	14	1,963,597	14,629,534
Cash at bank and in hand	15	175,136	238,578
		<u>2,138,733</u>	<u>31,055,831</u>
Creditors: amounts falling due within one year	16	(12,509)	(27,220,900)
Net current assets		<u>2,126,224</u>	<u>3,834,931</u>
Total assets less current liabilities		<u>2,126,224</u>	<u>3,834,931</u>
Provisions for liabilities			
Deferred tax	18	-	(1,162,060)
Other provisions	19	-	(585,167)
Net assets		<u><u>2,126,224</u></u>	<u><u>2,087,704</u></u>
Capital and reserves			
Called up share capital	20	327,001	327,001
Profit and loss account	21	1,799,223	1,760,703
		<u><u>2,126,224</u></u>	<u><u>2,087,704</u></u>

The Directors considers that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the 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 were approved and authorised for issue by the board and were signed on its behalf by:

Mr J C Patel (Sam) 

Director

Date: 15 October 2022

The notes on pages 6 to 21 form part of these financial statements.

ABC DRUG STORES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2021	327,001	1,760,703	2,087,704
Comprehensive income for the year			
Profit for the year	-	38,520	38,520
Total comprehensive income for the year	-	38,520	38,520
At 31 March 2022	327,001	1,799,223	2,126,224

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2020	327,001	(420,079)	(93,078)
Comprehensive income for the year			
Profit for the year	-	2,180,782	2,180,782
Total comprehensive income for the year	-	2,180,782	2,180,782
At 31 March 2021	327,001	1,760,703	2,087,704

The notes on pages 6 to 21 form part of these financial statements.

ABC DRUG STORES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. General information

ABC Drug Stores Limited (the "Company") is a private company limited by shares and incorporated, domiciled and registered in England in the United Kingdom. The address of the registered office is given on the company information page.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The functional currency of ABC Drug Stores Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The financial statements are also presented in pounds sterling and rounded to nearest £.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Day Lewis Plc as at 31 March 2022 and these financial statements may be obtained from 2 Peterwood Way, Croydon, Surrey, CR0 4UQ.

2.3 Going concern

As the Directors do not intend to acquire a replacement trade, the Directors have not prepared the financial statements on a going concern basis.

ABC DRUG STORES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.4 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

2.5 Turnover

Turnover comprises revenue recognised by the Company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

A revenue recognition adjustment is made in respect of the estimated recovery of excess profit from NHS income paid through the Category M Pricing Policy in the following year.

2.6 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Retail pharmacy licence	-	100	years
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2.7 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.

Depreciation is provided on the following basis:

Leasehold land and buildings	-	Over the life of the lease
Plant and machinery	-	25% per annum straight-line
Fixtures, fittings and equipment	-	15% per annum reducing balance

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 Profit and Loss Account.

ABC DRUG STORES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Profit and Loss Account.

2.10 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.

2.11 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.

2.12 Financial instruments

The Company only enters into basic financial instrument 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, loans to related parties and investments in ordinary shares.

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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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

ABC DRUG STORES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.12 Financial instruments (continued)

impairment loss is recognised in the Statement of Comprehensive Income.

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.

2.13 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.

2.14 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Profit and Loss Account at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Profit and Loss Account in the same period as the related expenditure.

ABC DRUG STORES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.15 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and Loss Account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Profit and Loss Account within 'other operating income'.

2.16 Finance costs

Finance costs are charged to the Profit and Loss Account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.17 Operating leases: the Company as lessor

Rental income from operating leases is credited to the Profit and Loss Account on a straight-line basis over the lease term.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight-line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

2.18 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

ABC DRUG STORES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.19 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.20 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and Loss Account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

ABC DRUG STORES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.21 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

ABC DRUG STORES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, 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.

Critical judgements in applying the company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Key source of estimation uncertainty - impairment of retail pharmacy licences

Determining whether retail pharmacy licenses are impaired requires an estimation of the value in use of the cash-generating units to which retail pharmacy licenses have been allocated. The impairment value is based on applicable discount rate and turnaround plan for cash-generating units that may have been impaired. The carrying amount of retail pharmacy licenses at the balance sheet date was £nil (2021: £14.2m) after an impairment loss of £nil was recognised during the year (2021: £nil).

Key source of estimation uncertainty - useful life of retail pharmacy licences

The Directors believe that the rights for dispensing UK NHS prescriptions, being the pharmacy licence which is attached to a particular pharmacy, have a continuing value. Such rights, conferred by the Department of Health as contracts to dispense prescriptions, are not generally granted to new pharmacies in the same locality. Consequently the Directors consider that the value of retail pharmacy licences have a long life of 100 years and therefore are amortised over that period.

4. Turnover

The whole of the turnover is attributable to be that of retail pharmacy.

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	298,285	25,767,370
	<u>298,285</u>	<u>25,767,370</u>

ABC DRUG STORES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

5. Other operating income

	2022 £	2021 £
Net rents receivable	-	75,733
	<u>-</u>	<u>75,733</u>

6. Operating profit

The operating profit is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets	1,351	63,660
Amortisation of intangible assets	2,146	151,228
Other operating lease rentals	8,067	737,700
Defined contribution pension cost	1,394	97,804
	<u>1,394</u>	<u>97,804</u>

7. Employees

Staff costs were as follows:

	2022 £	2021 £
Wages and salaries	37,843	3,453,049
Social security costs	5,424	339,466
Cost of defined contribution scheme	1,394	97,804
	<u>44,661</u>	<u>3,890,319</u>

The company does not have any of its own employees by virtue of the fact that contracts of employment for employees within the group are in the name of the parent company, Day Lewis PLC. Day Lewis PLC makes a recharge to the company for the proportion of staff costs relating to time spent by Day Lewis PLC staff on the company's affairs. These staff costs are disclosed above.

8. Directors' remuneration

Directors' remuneration was borne by the parent company, Day Lewis Plc, with no allocation or recharge being made to the company.

ABC DRUG STORES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

9. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	73	14,573
	<u>73</u>	<u>14,573</u>

10. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	2,893	487,139
Adjustments in respect of previous periods	603	-
	<u>3,496</u>	<u>487,139</u>
Total current tax	<u>3,496</u>	<u>487,139</u>
Deferred tax		
Origination and reversal of timing differences	-	(5,040)
Total deferred tax	<u>-</u>	<u>(5,040)</u>
Taxation on profit on ordinary activities	<u>3,496</u>	<u>482,099</u>

ABC DRUG STORES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	42,016	2,662,881
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	7,983	505,947
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	76	(26,853)
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,048	3,005
Adjustments to tax charge in respect of prior periods	603	-
Non-taxable income	(8,214)	-
Total tax charge for the year	3,496	482,099

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021.

11. Exceptional items

	2022 £	2021 £
Impairment reversal of pharmacy licence	-	(195,585)
	-	(195,585)

ABC DRUG STORES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

12. Fixed assets held for sale

	2022 £	2021 £
Retail pharmacy licence held for sale	-	14,159,581
Leasehold property held for sale	-	5,668
Plant and machinery held for sale	-	512
Fixtures, fittings and equipment held for sale	-	546,910
Investments in subsidiary companies held for sale	-	100
	<u>-</u>	<u>14,712,771</u>

13. Stocks

	2022 £	2021 £
Finished goods and goods for resale	-	1,474,948
	<u>-</u>	<u>1,474,948</u>

Stock recognised in cost of sales during the year as an expense was £217,453 (2021 - £17,753,819).

An impairment loss of £nil (2021 - £nil) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

14. Debtors

	2022 £	2021 £
Trade debtors	-	203,291
Amounts owed by group undertakings	1,688,406	13,818,233
Other debtors	275,191	419,159
Prepayments and accrued income	-	188,851
	<u>1,963,597</u>	<u>14,629,534</u>

ABC DRUG STORES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

15. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	175,136	238,578
	<u>175,136</u>	<u>238,578</u>

16. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	-	2,335,763
Amounts owed to group undertakings	9,616	20,000,708
Amounts owed to other participating interests	-	3,375,056
Corporation tax	2,893	487,086
Other creditors	-	98,324
Accruals and deferred income	-	92,989
Government grants repayable	-	830,974
	<u>12,509</u>	<u>27,220,900</u>

17. Financial instruments

	2022 £	2021 £
Financial assets		
Financial assets measured at fair value through profit or loss	175,136	238,578
Financial assets that are debt instruments measured at amortised cost	1,963,597	14,629,534
	<u>2,138,733</u>	<u>14,868,112</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(9,616)</u>	<u>(27,318,982)</u>

ABC DRUG STORES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

18. Deferred taxation

	2022	2021
	£	£
At beginning of year	(1,162,060)	(1,167,100)
Charged to Profit and Loss	-	5,040
Transferred on hive up	1,162,060	-
At end of year	-	(1,162,060)

The deferred taxation balance is made up as follows:

	2022	2021
	£	£
Accelerated capital allowances	-	(25,664)
Deferred tax re pharmacy licences	-	(1,136,396)
	-	(1,162,060)

19. Provisions

	NHS reimburse- ment £	Onerous leases £	Total £
At 1 April 2021	583,167	2,000	585,167
Transferred on hive up	(583,167)	(2,000)	(585,167)
At 31 March 2022	-	-	-

ABC DRUG STORES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

20. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
327,000 (2021 - 327,000) Ordinary shares of £1.00 each	327,000	327,000
1 (2021 - 1) Ordinary A share of £1.00	1	1
	<u>327,001</u>	<u>327,001</u>

21. Reserves

Profit and loss account

The Profit and Loss reserve represents cumulative profits or losses, including net of dividends paid and other adjustments.

22. Contingent liabilities

The company is a party to intra-group cross guarantees in respect of bank borrowing within the group.

- Unlimited inter-company guarantees supported by legal charges over various properties and other respective associated assets.

23. Commitments under operating leases

At 31 March 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	-	28,000
Later than 1 year and not later than 5 years	-	112,000
Later than 5 years	-	135,167
	<u>-</u>	<u>275,167</u>

ABC DRUG STORES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

24. Related party transactions

The company paid rent to the following:

Ms R Patel, sister of Jay and Sam, £nil (2021: £26,000)

The company purchased goods of £nil (2021: £200,709) from Eaststone Limited, a company in which the executors of the Kirit Patel Estate has a controlling interest. At the balance sheet date £nil (2021: £32,726) was payable to Eaststone Limited.

During the year, the company paid £nil (2021: £2,175) for expenses recharged by the Health Counter Limited, a company under common control. Included in the other creditors as an amount owed by the company £nil (2021: £nil). Included in trade debtors as an amount owed to the company £nil (2021: £nil).

The company owed £nil (2021: £3,375,056) to Day Lewis Holdings Limited, a company registered in Cyprus and is a ultimate parent company.

25. Controlling party

The company's parent company is Healthcare Drugstores Limited, a company registered in England and Wales.

Healthcare Drugstores Limited is a subsidiary of Day Lewis Plc, a company registered in England and Wales. It prepares group accounts which are available at Day Lewis House, 2 Peterwood Way, Croydon, Surrey, CR0 4UQ.

The smallest and largest group in which the results of the Company and its group are consolidated is that headed by Day Lewis plc, Day Lewis House, 2 Peterwood Way, Croydon, Surrey, CR0 4UQ.

The ultimate parent company is Day Lewis Holdings Limited, a company registered in Cyprus and controlled by the KCTP Will Trust.

Copies of the ultimate parent and of its group financial statements are not publicly available.