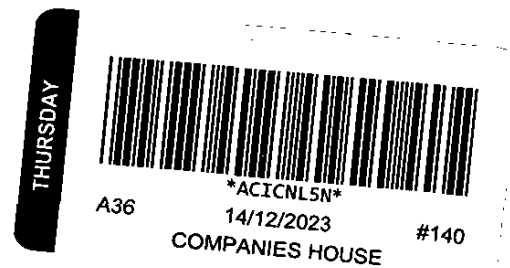

ABC DRUG STORES LIMITED

UNAUDITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023



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

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

The Directors present their report and the financial statements for the year ended 31 March 2023.

Principal activity

During the year ended 31 March 2023, 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 loss for the year, after taxation, amounted to £46,595 (2022 - profit £38,520).

The Directors have not recommended a dividend (2022 - £nil)

Directors

The Directors who served during the year were:

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

Post balance sheet events

There have been no significant events affecting the Company since the year ended 31 March 2023.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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



Mr J C Patel (Sam)
Director

Date: 11/12/2023

2 Peterwood Way
Croydon
Surrey
CR0 4UQ

ABC DRUG STORES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023 £	2022 £
Turnover		-	298,285
Cost of sales		(14,603)	(217,453)
Gross (loss)/profit		(14,603)	80,832
Administrative expenses		(31,992)	(38,743)
Operating (loss)/profit		(46,595)	42,089
Interest payable and similar expenses		-	(73)
(Loss)/profit before tax		(46,595)	42,016
Tax on (loss)/profit	6	-	(3,496)
(Loss)/profit for the financial year		(46,595)	38,520

There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2023 (2022: £NIL).

The notes on pages 5 to 13 form part of these financial statements.

ABC DRUG STORES LIMITED
REGISTERED NUMBER:02825947

BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Current assets			
Debtors: amounts falling due within one year	7	2,084,711	1,963,597
Cash at bank and in hand	8	5,026	175,136
		<u>2,089,737</u>	<u>2,138,733</u>
Creditors: amounts falling due within one year	9	(10,108)	(12,509)
Net current assets		<u>2,079,629</u>	<u>2,126,224</u>
Total assets less current liabilities		<u>2,079,629</u>	<u>2,126,224</u>
Net assets		<u><u>2,079,629</u></u>	<u><u>2,126,224</u></u>
Capital and reserves			
Called up share capital		327,001	327,001
Profit and loss account		1,752,628	1,799,223
		<u>2,079,629</u>	<u>2,126,224</u>

The Directors consider that the Company is entitled to exemption from audit under section 479A of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of 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 Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



Mr J C Patel (Sam)
 Director
 Date: 11/12/2023

The notes on pages 5 to 13 form part of these financial statements.

ABC DRUG STORES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2022	327,001	1,799,223	2,126,224
Comprehensive income for the year			
Loss for the year	-	(46,595)	(46,595)
Total comprehensive income for the year	-	(46,595)	(46,595)
At 31 March 2023	327,001	1,752,628	2,079,629

**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

The notes on pages 5 to 13 form part of these financial statements.

ABC DRUG STORES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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 2023 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 2023

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 Debtors

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

2.7 Cash and cash equivalents

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

2.8 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 Profit and loss account 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 impairment loss is recognised in the Profit and loss account.

ABC DRUG STORES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.8 Financial instruments (continued)

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.

2.9 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.

2.10 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 2023

2. Accounting policies (continued)

2.11 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'.

2.12 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.

2.13 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.

2.14 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 2023

2. Accounting policies (continued)

2.15 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.

2.16 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 2023

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.

There are no critical judgements and estimations that the Directors have made in the process of applying the Company's accounting policies and that have had a significant effect on the amounts recognised in the financial statements.

4. Employees

	2023 £	2022 £
Wages and salaries	-	37,843
Social security costs	-	5,424
Cost of defined contribution scheme	-	1,394
	<u>-</u>	<u>44,661</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.

5. 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 2023

6. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on profits for the year	-	2,893
Adjustments in respect of previous periods	-	603
	-	3,496
Total current tax	-	3,496
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	3,496

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 - *lower than*) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
(Loss)/profit on ordinary activities before tax	(46,595)	42,016
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	(8,853)	7,983
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	-	76
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	4,049	3,048
Adjustments to tax charge in respect of prior periods	-	603
Non-taxable income	-	(8,214)
Deferred tax not recognised	4,804	-
Total tax charge for the year	-	3,496

ABC DRUG STORES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

6. Taxation (continued)

Factors that may affect future tax charges

An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021.

7. Debtors

	2023	2022
	£	£
Amounts owed by group undertakings	2,084,711	1,688,406
Other debtors	-	275,191
	<u>2,084,711</u>	<u>1,963,597</u>

8. Cash and cash equivalents

	2023	2022
	£	£
Cash at bank and in hand	5,026	175,136
	<u>5,026</u>	<u>175,136</u>

9. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Amounts owed to group undertakings	63	9,616
Corporation tax	-	2,893
Other creditors	10,045	-
	<u>10,108</u>	<u>12,509</u>

ABC DRUG STORES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

10. Financial instruments

	2023 £	2022 £
Financial assets		
Financial assets measured at fair value through profit or loss	5,026	175,136
Financial assets that are debt instruments measured at amortised cost	2,084,711	1,963,597
	<u>2,089,737</u>	<u>2,138,733</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(10,108)	(9,616)
	<u>(10,108)</u>	<u>(9,616)</u>

11. Contingent liabilities

The Company is a party to intra-group cross guarantees in respect of bank borrowing within the Group, including unlimited inter-company guarantees supported by legal charges over various properties and other respective associated assets.

12. Related party transactions

The Company has taken advantage of the exemption in section 33 of FRS102 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

13. 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 financial statements 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.