

STATION AVENUE PHARMACY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018



STATION AVENUE PHARMACY LIMITED

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for the Year Ended 31 January 2018

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STATION AVENUE PHARMACY LIMITED

COMPANY INFORMATION
for the Year Ended 31 January 2018

DIRECTORS:

Dr H K MacNab
Dr A J Clarke
Mr I Cowan
Dr E A Barton
Mr G Taylor
Mr S W Anderson

SECRETARIES:

Mr P Smithson
Mr I Cowan

REGISTERED OFFICE:

The Medical Centre
Station Avenue
Bridlington
East Yorkshire
YO16 4LZ

REGISTERED NUMBER:

03741464 (England and Wales)

AUDITORS:

Sowerby
Chartered Accountants and Statutory Auditors
Beckside Court
Annie Reed Road
Beverley
East Yorkshire
HU17 0LF

STATION AVENUE PHARMACY LIMITED (REGISTERED NUMBER: 03741464)**STATEMENT OF FINANCIAL POSITION****31 January 2018**

| | | 2018 | 2017 |
|--|-------|----------------|----------------|
| | Notes | £ | £ |
| FIXED ASSETS | | | |
| Intangible assets | 7 | 133,080 | 132,979 |
| Tangible assets | 8 | <u>6,774</u> | <u>9,111</u> |
| | | 139,854 | 142,090 |
| CURRENT ASSETS | | | |
| Stocks | 9 | 102,217 | 111,430 |
| Debtors | 10 | 429,155 | 413,173 |
| Cash at bank and in hand | | <u>156,139</u> | <u>147,764</u> |
| | | 687,511 | 672,367 |
| CREDITORS | | | |
| Amounts falling due within one year | 11 | <u>405,209</u> | <u>396,034</u> |
| NET CURRENT ASSETS | | <u>282,302</u> | <u>276,333</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>422,156</u> | <u>418,423</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 15 | 1,021 | 1,021 |
| Retained earnings | | <u>421,135</u> | <u>417,402</u> |
| SHAREHOLDERS' FUNDS | | <u>422,156</u> | <u>418,423</u> |

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 23 May 2018 and were signed on its behalf by:



Dr A J Clarke - Director

The notes form part of these financial statements

STATION AVENUE PHARMACY LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 January 2018

1. STATUTORY INFORMATION

Station Avenue Pharmacy Limited is a private company limited by shares and incorporated and domiciled in England. The address of the registered office and principle place of business is given on page 1.

The principle activity of the company is that of pharmaceutical retail.

The presentational currency of the financial statements is Pound Sterling (£).

These financial statements are separate financial statements. The company is included in the group accounts of PHOENIX Pharma SE. The group accounts of PHOENIX Pharma SE are available to the public and can be obtained as set out in note 18.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

In accordance with section 444 of the Companies Act 2006, the Statement of Comprehensive Income has not been delivered.

The company has used a true and fair override in respect of the non amortisation of goodwill.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment; and
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. Turnover from the sale of goods is recognised at point of sale when the significant risks and rewards of ownership of the goods have passed to the buyer.

2. **ACCOUNTING POLICIES - continued**

Goodwill

Goodwill is initially measured at cost being the excess of the aggregate of the acquisition-date fair value of the consideration transferred and the amount recognised for the non-controlling interest (and where the business combination is achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree) over the net identifiable amounts of the assets acquired and the liabilities assumed in exchange for the business combination. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

The UK Companies Act requires goodwill to be reduced by provisions for depreciation on a systematic basis over a period chosen by the directors, its useful economic life. However, under IFRS 3 Business Combinations goodwill is not amortised. Consequently, the company does not amortise goodwill, but reviews it for impairment on an annual basis or whenever there are indicators of impairment. The company is therefore invoking a 'true and fair view override' to overcome the prohibition on the non-amortisation of goodwill in the Companies Act. The company is not able to reliably estimate the impact on the financial statements of the true and fair override on the basis that the useful life of goodwill cannot be predicted with a satisfactory level of reliability, nor can the pattern in which goodwill diminishes be known.

Tangible fixed assets

Plant and machinery is stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all plant and machinery on a straightline basis over its expected useful life as follows:

Plant and machinery - over 3 to 10 years

The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the derecognition of the asset is included in the income statement in the period of derecognition.

Financial instruments

The company's financial assets include cash and trade and other receivables. All financial assets held are classified as loans and receivables and measured at amortised cost.

The company's financial liabilities include trade and other payables. All financial liabilities are measured at amortised cost. All financial liabilities are held for trading.

STATION AVENUE PHARMACY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued **for the Year Ended 31 January 2018**

2. ACCOUNTING POLICIES - continued

Stocks

Stocks are stated at the lower of cost, using the first in first out method, and selling price less costs to complete and sell. Costs are costs of completion and costs to be incurred in marketing, selling and distribution.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exception.

Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Employee benefit costs

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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.

No key sources of estimation uncertainty are noted by management that have a significant effect on the amounts recognised in the financial statements.

STATION AVENUE PHARMACY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 January 2018

2. ACCOUNTING POLICIES - continued

Related parties

For the purposes of these financial statements, a party is considered to be related to the company if:

(i) the party has the ability, directly or indirectly, through one or more intermediaries, to control the company or exercise significant influence over the company in making financial and operating policy decisions, or has joint control over the company;

(ii) the company and the party are subject to common control;

(iii) the party is an associate of the company or a joint venture in which the company is a venture

(iv) the party is a member of key management personnel of the company or the company's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;

(v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or

(vi) the party is a post-employment benefit plan which is for the benefit of employees of the company or of any entity that is a related party of the company.

(vii) the party, or any member of a group of which it is part, provides key management personnel services to the company or its parent.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was as follows:

| | 2018 | 2017 |
|----------------|-----------|-----------|
| Administration | <u>17</u> | <u>18</u> |

Directors' remuneration for directors who are group employees is borne by another member of the group of which this entity is a subsidiary. For those directors who are not part of the group, remuneration is borne by individual practices which are not under control of the group.

4. DIVIDENDS

| | 2018 | 2017 |
|---------|---------------|----------------|
| | £ | £ |
| Interim | <u>50,000</u> | <u>100,000</u> |

STATION AVENUE PHARMACY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 January 2018

5. INTANGIBLE FIXED ASSETS

| | Goodwill £ | Other intangible assets £ | Totals £ |
|-----------------------|----------------|------------------------------------|----------------|
| COST | | | |
| At 1 February 2017 | 491,000 | - | 491,000 |
| Additions | - | 151 | 151 |
| At 31 January 2018 | 491,000 | 151 | 491,151 |
| AMORTISATION | | | |
| At 1 February 2017 | 358,021 | - | 358,021 |
| Charge for year | - | 50 | 50 |
| At 31 January 2018 | 358,021 | 50 | 358,071 |
| NET BOOK VALUE | | | |
| At 31 January 2018 | <u>132,979</u> | <u>101</u> | <u>133,080</u> |
| At 31 January 2017 | <u>132,979</u> | - | <u>132,979</u> |

Brought forward amortisation for goodwill relates to amortisation charged under old UK GAAP. Amortisation is not charged on goodwill under Financial Reporting Standard 101. See Note 2 for further information.

6. TANGIBLE FIXED ASSETS

| | Plant and machinery £ |
|-----------------------|-----------------------------|
| COST | |
| At 1 February 2017 | 149,695 |
| Additions | 1,281 |
| At 31 January 2018 | 150,976 |
| DEPRECIATION | |
| At 1 February 2017 | 140,584 |
| Charge for year | 3,618 |
| At 31 January 2018 | 144,202 |
| NET BOOK VALUE | |
| At 31 January 2018 | <u>6,774</u> |
| At 31 January 2017 | <u>9,111</u> |

7. STOCKS

| | 2018 £ | 2017 £ |
|--------|----------------|----------------|
| Stocks | <u>102,217</u> | <u>111,430</u> |

STATION AVENUE PHARMACY LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued**
for the Year Ended 31 January 2018**8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

| | 2018 | 2017 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Trade debtors | 366,529 | 360,037 |
| Amounts owed by group undertakings | 3,917 | 2,968 |
| Other debtors | 37,170 | 28,123 |
| Deferred tax asset | | |
| Accelerated capital allowances | 798 | 975 |
| Prepayments and accrued income | <u>20,741</u> | <u>21,070</u> |
| | <u>429,155</u> | <u>413,173</u> |

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2018 | 2017 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Trade creditors | 54,828 | 57,672 |
| Amounts owed to group undertakings | 283,030 | 268,706 |
| Tax | 7,222 | 15,046 |
| Social security and other taxes | 2,432 | 1,005 |
| Accrued expenses | <u>57,697</u> | <u>53,605</u> |
| | <u>405,209</u> | <u>396,034</u> |

Trade creditors are non-interest bearing and are normally settled on 30 - 60 day terms. Other creditors are non-interest bearing and have an average term of 30 days.

10. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

| | 2018 | 2017 |
|----------------------------|--------------|--------------|
| | £ | £ |
| Within one year | 2,640 | 2,460 |
| Between one and five years | <u>3,960</u> | <u>5,945</u> |
| | <u>6,600</u> | <u>8,405</u> |

11. SECURED DEBTS

Overdraft facilities are secured by a debenture over the assets of the company.

12. DEFERRED TAX

| | £ |
|---|-------------------|
| Balance at 1 February 2017 | (975) |
| Charge to Statement of Comprehensive Income during year | 177 |
| Movement during the year | <u> </u> |
| Balance at 31 January 2018 | <u>(798)</u> |

STATION AVENUE PHARMACY LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued**
for the Year Ended 31 January 2018**13. CALLED UP SHARE CAPITAL**

| Allotted and issued: | | Nominal value: | 2018 | 2017 |
|----------------------|----------|-------------------|--------------|--------------|
| Number: | Class: | | £ | £ |
| 1,021 | Ordinary | £1 | <u>1,021</u> | <u>1,021</u> |

14. RELATED PARTY DISCLOSURES

During the year the company entered into transactions, in the ordinary course of business, with related parties. Transactions entered into, and trading balances outstanding at 31 January with related parties, are as follows:

Phoenix Healthcare Distribution Limited

A fellow member of the Phoenix Medical Supplies Limited Group
Transactions in the year related to the purchase of drugs to the value of £1,734,342

| | 2018 £ | 2017 £ |
|---|----------------|----------------|
| Amount due to related party at balance sheet date | <u>277,392</u> | <u>267,518</u> |

Phoenix Medical Supplies Limited

A fellow member of the Phoenix Medical Supplies Limited Group
Transactions in the year related to corporation tax payments to the value of £4,328

| | 2018 £ | 2017 £ |
|---|-----------|--------------|
| Amount due from related party at balance sheet date | <u>-</u> | <u>2,968</u> |

Numark Limited

A fellow member of the Phoenix Medical Supplies Limited Group
Transactions in the year related to the recharge of medical subscriptions to the value of £5,756

| | 2018 £ | 2017 £ |
|---|-----------|-----------|
| Amount due to related party at balance sheet date | <u>-</u> | <u>26</u> |

L Rowland & Company (Retail) Limited

A fellow member of the Phoenix Medical Supplies Limited Group
Transactions in the year related to management fees and other recharges to the value of £295,421

| | 2018 £ | 2017 £ |
|---|--------------|--------------|
| Amount due to related party at balance sheet date | <u>1,162</u> | <u>5,638</u> |

STATION AVENUE PHARMACY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 January 2018

Nucare Limited

A fellow member of the Phoenix Medical Supplies Limited Group

Transactions in the year related to management fees and other recharges to the value of £7,735

| | 2018 £ | 2017 £ |
|---|--------------|-----------|
| Amount due from related party at balance sheet date | <u>3,917</u> | <u>-</u> |

Sales and purchases between related parties are made on an arm's length basis. Outstanding balances with entities other than group entities are unsecured, interest free and cash settlement is expected within 30 -60 days of invoice. Terms and conditions for transactions with group entities are the same, with the exception that balances are placed on intercompany accounts with no specified credit period. The company has not provided or benefited from any guarantees for any related party receivables or payables. During the year ended 31 January 2018, the company has not made any provision for doubtful debts relating to amounts owed by related parties (2017: nil).

Dividends paid to directors

| | 2018 £ | 2017 £ |
|-------------------------------|---------------|----------------|
| Dividend paid within the year | <u>12,977</u> | <u>100,000</u> |

15. CONTROLLING PARTY

The company is a subsidiary undertaking of L Rowland & Company (Retail) Limited, which is the immediate parent company.

The company is ultimately owned and controlled by PHOENIX Pharma SE incorporated in Germany, the principal place of business of which is Pfingstweidstrasse 10-12, 68199 Mannheim, Germany. The largest and smallest group of undertakings, for which group accounts have been drawn up, is that headed by PHOENIX Pharma SE, a company incorporated in Germany that prepares consolidated financial statement which are available to the public from the aforementioned address.

16. DISCLOSURE UNDER SECTION 444 (5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Richard Skewis FCCA (Senior Statutory Auditor)
For and on behalf of Sowerby