

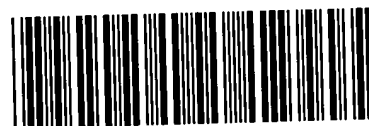
Company Registration No. 03784836 (England and Wales)

PILL BOX CHEMISTS LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015

KLSA
Chartered Accountants

PKF
Member firm of PKF International Ltd

THURSDAY



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COMPANIES HOUSE

PILL BOX CHEMISTS LIMITED

COMPANY INFORMATION

Directors	Davinder Singh Virdee Harminder Kaur Virdee
Secretary	Harminder Kaur Virdee
Company number	03784836
Registered office	17 David Road Poyle Industrial Estate Colnbrook SL3 0DB
Auditors	KLSA LLP 28-30 St. John's Square London EC1M 4DN
Business address	17 David Road Poyle Industrial Estate Colnbrook SL3 0DB
Bankers	National Westminster Bank Plc Bradford City centre branch 7 Hustlergate Bradford West Yorkshire BD1 1PP Lloyds Bank Plc 25 Gresham Street London EC2V 7TH
Solicitors	P D T Solicitors Chancery Court Queen Street Horsham West Sussex RH13 5AD

PILL BOX CHEMISTS LIMITED

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PILL BOX CHEMISTS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2015

The directors present the strategic report and financial statements for the year ended 30 June 2015.

Review of the business

The company continued to trade satisfactorily with the pharmacies acquired over the last few years. During the year, one new pharmacy was acquired and contributing positively to the company's results.

Whilst the balance sheet has a deficit, the directors are of the opinion that the market values of pharmacy licences are significantly higher than their historic cost price.

Future developments

The directors aim to continue with the management policies which has resulted in the company's steady growth in recent years.

The outlook for 2016 is reasonably encouraging with the director being optimistic that current performance can be maintained.

Risks and uncertainties

The company faces a number of operating risks and uncertainties. There are a small number of risks that could impact the company's long term performance and steps are taken to understand and evaluate these in order to achieve our objective of sustainable growth.

The business operates in regulated markets and could be adversely affected by changes to existing regulation, new regulation and/or failure to comply with regulation.

Pharmaceutical wholesale sales are subject to a range of regulations relating to such things as product margins, product traceability and the conditions under which products must be stored.

The management have a risk management process in place, which is designed to identify, manage and mitigate business risks.

Financial risk management objectives and policies

The business has various tools to manage financial risk. Quarterly analysis of performance is prepared by management to provide updates on trading and profitability. Controls by management are in place to manage the cash requirements of the business on a monthly basis with a focus on stock control, debtors and creditors.

The key financial risks are described below:

Interest rate risk

The directors monitor the banking facilities and interest rates on a regular basis to make sure that the company is not exposed to material levels of interest rate risk. The company has in place variable interest rates on its loans over a medium term period.

Liquidity risk

In respect of bank balances the liquidity is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at fixed rates of interest. The company also manages the liquidity risk by using the draw down facility. Trade creditor liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Credit risk

The company monitors credit risk closely and considers that its current policies of credit checks meets its objectives of managing exposure to credit risk.

PILL BOX CHEMISTS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

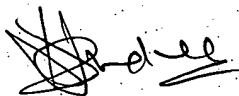
Key performance indicators

The key financial performance indicators of the company are Gross profit margin and EBITDA.

During the year, the company achieved GP margin of 22.1% (2014: 24.8%) and EBITDA of £1.5m (2014: £1.7m).

The key non financial performance indicators are customer service and satisfaction.

On behalf of the board



Davinder Singh Virdee

Director

29 March 2016

PILL BOX CHEMISTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

Principal activities

The principal activity of the company continued to be that of operating community pharmacies and wholesale distribution of pharmaceutical and associated products.

Results and dividends

The results for the year are set out on page 6.

The directors do not recommend payment of an ordinary dividend.

Directors

The following directors have held office since 1 July 2014:

Davinder Singh Virdee
Harminder Kaur Virdee

Auditors

KLSA LLP are deemed to be re-appointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

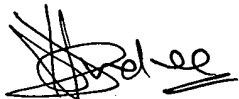
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Davinder Singh Virdee

Director

29 March 2016

PILL BOX CHEMISTS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PILL BOX CHEMISTS LIMITED

We have audited the financial statements of Pill Box Chemists Limited for the year ended 30 June 2015 set out on pages 6 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

PILL BOX CHEMISTS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF PILL BOX CHEMISTS LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ketan Shah (Senior Statutory Auditor)
for and on behalf of KLSA LLP
Chartered Accountants
Statutory Auditor
28-30 St John's Square
London
EC1M 4DN

29 March 2016

PILL BOX CHEMISTS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 £	2014 £
Turnover	2	25,024,568	22,838,899
Cost of sales		(19,500,418)	(17,169,928)
Gross profit		5,524,150	5,668,971
Administrative expenses		(5,412,786)	(5,384,113)
Other operating income		138,026	95,085
Operating profit	3	249,390	379,943
Other interest receivable and similar income	4	652	469
Amounts written off investments	5	-	(68,407)
Interest payable and similar charges	6	(311,172)	(322,737)
Loss on ordinary activities before taxation		(61,130)	(10,732)
Tax on loss on ordinary activities	7	(50,103)	(63,772)
Loss for the year	16	(111,233)	(74,504)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

PILL BOX CHEMISTS LIMITED

BALANCE SHEET

AS AT 30 JUNE 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Intangible assets	8	5,363,088		5,705,929	
Tangible assets	9	1,571,894		1,590,349	
Investments	10	913		913	
		<u>6,935,895</u>		<u>7,297,191</u>	
Current assets					
Stocks	11	1,898,205	1,324,270		
Debtors	12	3,443,040	3,200,180		
Cash at bank and in hand		316,285	509,520		
		<u>5,657,530</u>	<u>5,033,970</u>		
Creditors: amounts falling due within one year	13	<u>(5,279,542)</u>	<u>(5,113,921)</u>		
Net current assets/(liabilities)		<u>377,988</u>		<u>(79,951)</u>	
Total assets less current liabilities		<u>7,313,883</u>		<u>7,217,240</u>	
Creditors: amounts falling due after more than one year	14	<u>(7,734,644)</u>	<u>(7,526,768)</u>		
		<u>(420,761)</u>	<u>(309,528)</u>		
Capital and reserves					
Called up share capital	15	1,000	1,000		
Revaluation reserve	16	257,529	263,034		
Profit and loss account	16	(679,290)	(573,562)		
Shareholders' funds	17	<u>(420,761)</u>	<u>(309,528)</u>		

Approved by the Board and authorised for issue on 29 March 2016



Davinder Singh Virdee
Director

Company Registration No. 03784836

PILL BOX CHEMISTS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2015

	£	2015 £	£	2014 £
Net cash inflow from operating activities		595,353		876,037
Returns on investments and servicing of finance				
Interest received	652		469	
Interest paid	(311,172)		(322,737)	
Net cash outflow for returns on investments and servicing of finance		(310,520)		(322,268)
Taxation		(140,501)		(25,000)
Capital expenditure				
Payments to acquire intangible assets	(825,000)		(1,305,611)	
Payments to acquire tangible assets	(76,134)		(124,621)	
Net cash outflow for capital expenditure		(901,134)		(1,430,232)
Net cash outflow before management of liquid resources and financing		(756,802)		(901,463)
Financing				
New long term bank loan	792,000		1,150,000	
Repayment of long term bank loan	(897,875)		(803,749)	
Net cash (outflow)/inflow from financing		(105,875)		346,251
Decrease in cash in the year		(862,677)		(555,212)

PILL BOX CHEMISTS LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2015

1 Reconciliation of operating profit to net cash inflow from operating activities	2015	2014
	£	£
Operating profit	249,390	379,943
Depreciation of tangible assets	94,589	92,919
Amortisation of intangible assets	1,167,841	1,287,208
Increase in stocks	(573,935)	(288,645)
Increase in debtors	(242,860)	(980,413)
(Decrease)/Increase in creditors within one year	(99,672)	385,025
Net cash inflow from operating activities	595,353	876,037

2 Analysis of net debt	1 July 2014	Cash flow	Other non-cash changes	30 June 2015
	£	£	£	£
Net cash:				
Cash at bank and in hand	509,520	(193,235)	-	316,285
Bank overdrafts	(265,080)	(669,442)	-	(934,522)
	<u>244,440</u>	<u>(862,677)</u>	<u>-</u>	<u>(618,237)</u>
Bank deposits	-	-	-	-
Debt:				
Debts falling due within one year	(1,193,751)	313,751	-	(880,000)
Debts falling due after one year	(7,526,768)	(207,876)	-	(7,734,644)
	<u>(8,720,519)</u>	<u>105,875</u>	<u>-</u>	<u>(8,614,644)</u>
Net debt	(8,476,079)	(756,802)	-	(9,232,881)

3 Reconciliation of net cash flow to movement in net debt	2015	2014
	£	£
Decrease in cash in the year	(862,677)	(555,212)
Cash outflow/(inflow) from decrease/(increase) in debt	105,875	(346,251)
Movement in net debt in the year	(756,802)	(901,463)
Opening net debt	(8,476,079)	(7,574,616)
Closing net debt	(9,232,881)	(8,476,079)

PILL BOX CHEMISTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Revenue from dispensed prescriptions of drugs and appliance is recognised when statements from Prescription Pricing Division of the NHS are issued. For wholesale trade, revenue is recognised when the risks and rewards of ownership of products are passed to the customer which is generally on despatch of goods.

Supplier rebates are recognised on accrual basis and accounted for against purchases.

1.4 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 10 years.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	Straight line over 50 years - on Buildings
Land and buildings Leasehold	Straightline over the life of the lease
Fixtures, fittings & equipment	25% reducing balance
Motor vehicles	25% reducing balance

The part of the annual depreciation charge on revalued assets which relates to the revaluation surplus is transferred from the revaluation reserve to the profit and loss account.

1.6 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.8 Stock

Stock is valued at the lower of cost and net realisable value.

1.9 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

PILL BOX CHEMISTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

1 Accounting policies

(Continued)

1.10 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a medium-sized group. The company has therefore taken advantage of the exemptions provided by section 405 of the Companies Act 2006 not to prepare group accounts on the basis that their inclusion in consolidated accounts will not be material for the purpose of giving a true and fair view.

1.11 Going concern

In assessing the validity of the going concern basis, the Directors have considered the level of bank facilities available to the company, and its compliance with bank covenant tests both during the period and for the period ahead. The company has passed all covenants during the period just entered. Having considered the company's financial budget, investment and financing commitments and cash flow commitment requirements for the year until 31 March 2017, the Board expects to continue to meet all financial covenants as well as ensuring that liabilities are settled as they fall due.

Having considered the above, the Board conclude that it is appropriate to adopt the going concern basis of accounting because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit

	2015 £	2014 £
Operating profit is stated after charging:		
Amortisation of intangible assets	1,167,841	1,287,208
Depreciation of tangible assets	94,589	92,919
Operating lease rentals	368,067	350,865
Auditors' remuneration (including expenses and benefits in kind)	16,686	17,642
	<u> </u>	<u> </u>

4 Investment income

	2015 £	2014 £
Bank interest	652	469
	<u> </u>	<u> </u>
	652	469
	<u> </u>	<u> </u>

5 Amounts written off investments

	2015 £	2014 £
Amounts written off fixed asset investments:		
- permanent diminution in value	-	68,407
	<u> </u>	<u> </u>

PILL BOX CHEMISTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

6	Interest payable	2015	2014
		£	£
	On loans repayable after five years	311,172	322,737
		<u> </u>	<u> </u>
7	Taxation	2015	2014
		£	£
	Domestic current year tax		
	U.K. corporation tax	50,103	63,772
		<u> </u>	<u> </u>
	Total current tax	50,103	63,772
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(61,130)	(10,732)
		<u> </u>	<u> </u>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2014 - 20.00%)	(12,226)	(2,146)
		<u> </u>	<u> </u>
	Effects of:		
	Non deductible expenses	210	13,681
	Depreciation and amortisation add back	78,768	78,385
	Capital allowances	(16,649)	(26,659)
	Other tax adjustments	-	511
		<u> </u>	<u> </u>
		62,329	65,918
		<u> </u>	<u> </u>
	Current tax charge for the year	50,103	63,772
		<u> </u>	<u> </u>

PILL BOX CHEMISTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

8 Intangible fixed assets

	Goodwill £
Cost	
At 1 July 2014	12,705,416
Additions	825,000
At 30 June 2015	13,530,416
Amortisation	
At 1 July 2014	6,999,487
Charge for the year	1,167,841
At 30 June 2015	8,167,328
Net book value	
At 30 June 2015	5,363,088
At 30 June 2014	5,705,929

Additions in the year represents goodwill paid for the acquisition of Birchall and Haydock pharmacy.

9 Tangible fixed assets

	Land and buildings Freehold £	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 July 2014	1,418,018	182,237	473,237	62,391	2,135,883
Additions	-	-	70,984	5,150	76,134
At 30 June 2015	1,418,018	182,237	544,221	67,541	2,212,017
Depreciation					
At 1 July 2014	151,378	32,791	320,174	41,191	545,534
Charge for the year	28,360	3,630	56,012	6,587	94,589
At 30 June 2015	179,738	36,421	376,186	47,778	640,123
Net book value					
At 30 June 2015	1,238,280	145,816	168,035	19,763	1,571,894
At 30 June 2014	1,266,640	149,446	153,063	21,200	1,590,349

The revaluation of the freehold properties were made on 9 May 2014 by London Clancy, Chartered Surveyors on an open market basis.

PILL BOX CHEMISTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2015

9 Tangible fixed assets (Continued)

Comparable historical cost for the land and buildings included at valuation:

	£
Cost	
At 1 July 2014 & at 30 June 2015	1,150,608
Depreciation based on cost	
At 1 July 2014	145,873
Charge for the year	22,855
At 30 June 2015	168,728
Net book value	
At 30 June 2015	981,880
At 30 June 2014	1,004,735

10 Fixed asset investments

	Shares in subsidiary undertakings £
Cost or valuation	
At 1 July 2014 & at 30 June 2015	69,320
Provisions for diminution in value	
At 1 July 2014 & at 30 June 2015	68,407
Net book value	
At 30 June 2015	913
At 30 June 2014	913

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Bassil Limited*	England and Wales	Ordinary	100.00
Breakspear (Ashford) Limited**	England and Wales	Ordinary	100.00

PILL BOX CHEMISTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

10 Fixed asset investments

(Continued)

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and reserves 2015 £	Profit/(loss) for the year 2015 £
	Principal activity		
Bassil Limited*	Pharmacy	50,115	(1,286)
Breakspear (Ashford) Limited**	Pharmacy	20,356	(1,860)

* The above amounts have been based on the statutory financial statements for the year ended 31 August 2014.

** The amounts have been based on the draft financial statements.

11 Stocks

	2015 £	2014 £
Finished goods and goods for resale	1,898,205	1,324,270

12 Debtors

	2015 £	2014 £
Trade debtors	3,193,464	2,886,785
Other debtors	202,355	268,225
Prepayments and accrued income	47,221	45,170
	3,443,040	3,200,180

13 Creditors: amounts falling due within one year

	2015 £	2014 £
Bank loans and overdrafts	1,814,522	1,458,831
Trade creditors	2,515,227	2,690,266
Amounts owed to subsidiary undertakings	371,997	371,753
Corporation tax	210,551	300,949
Other taxes and social security costs	87,317	13,338
Other creditors	138,416	126,743
Accruals and deferred income	141,512	152,041
	5,279,542	5,113,921

The bank overdraft is repayable on demand and is secured by a fixed and floating charge over the company and this charge contains a negative pledge.

PILL BOX CHEMISTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2015

14 Creditors: amounts falling due after more than one year	2015 £	2014 £
Bank loans	7,734,644	7,526,768
Analysis of loans		
Wholly repayable within five years	8,614,644	8,720,519
	8,614,644	8,720,519
Included in current liabilities	(880,000)	(1,193,751)
	7,734,644	7,526,768
Loan maturity analysis		
In more than one year but not more than two years	880,000	1,193,751
In more than two years but not more than five years	2,640,000	6,333,018
In more than five years	4,214,644	-

Bank loans are secured by a debenture over the assets of the company and first legal charge over the properties. Interest and capital repayments are made monthly. Commercial rates of interest are charged on the loans.

15 Share capital	2015 £	2014 £
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000

16 Statement of movements on reserves	Revaluation reserve £	Profit and loss account £
Balance at 1 July 2014	263,034	(573,562)
Loss for the year	-	(111,233)
Transfer from revaluation reserve to profit and loss account	(5,505)	5,505
Balance at 30 June 2015	257,529	(679,290)

PILL BOX CHEMISTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

17	Reconciliation of movements in Shareholders' funds	2015 £	2014 £
	Loss for the financial year	(111,233)	(74,504)
	Opening Shareholders' funds	(309,528)	(235,024)
	Closing Shareholders' funds	<u>(420,761)</u>	<u>(309,528)</u>

18 Financial commitments

At 30 June 2015 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 June 2016:

	Land and buildings	
	2015 £	2014 £
Operating leases which expire:		
Between two and five years	245,000	245,000
In over five years	64,000	47,250
	<u>309,000</u>	<u>292,250</u>

19	Directors' remuneration	2015 £	2014 £
	Remuneration for qualifying services	<u>30,000</u>	<u>30,000</u>

PILL BOX CHEMISTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

20 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2015 Number	2014 Number
Management and administrative	31	30
Sales assistants	76	74
Dispensers	30	29
Distribution	15	15
	<u>152</u>	<u>148</u>

Employment costs

	2015 £	2014 £
Wages and salaries	1,752,501	1,819,129
Social security costs	80,705	74,635
	<u>1,833,206</u>	<u>1,893,764</u>

21 Control

The company is controlled by Davinder Singh Virdee and Harinder Kaur Virdee by virtue of their 100% shareholding.

22 Related party relationships and transactions

Advances and credits to directors

Advances and credits granted to the directors during the year are outlined below:

	% Rate	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
Davinder Singh Virdee	-	55,567	76,026	-	-	131,593
		<u>55,567</u>	<u>76,026</u>	<u>-</u>	<u>-</u>	<u>131,593</u>

The director's loan is interest free and has been repaid within nine months after the year end. The maximum balance outstanding for the year was £131,593.

PILL BOX CHEMISTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

22 Related party relationships and transactions

(Continued)

The company paid rent during the year of £146,250 (2014: £151,000) to Nagina Investments Limited. At the balance sheet date, the amount due from Nagina Investments Limited amounted to £30,000 (2014: Nil). The companies are related by virtue of common directors and shareholders.

At the balance sheet date, the amount owed to Breakspear (Ashford) Limited amounted to £40,972 (2014: £40,972). Breakspear (Ashford) Limited is a wholly owned subsidiary of the company.

At the balance sheet date, the amount owed to Bassil Limited amounted to £330,781 (2014: £330,781). Bassil Limited is a wholly owned subsidiary of the company.