

Company Registration No. 03784836 (England and Wales)

**PILL BOX CHEMISTS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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# PILL BOX CHEMISTS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Davinder Singh Virdee Harinder Kaur Virdee
<b>Secretary</b>	Harinder Kaur Virdee
<b>Company number</b>	03784836
<b>Registered office</b>	17 David Road Poyle Industrial Estate Colnbrook SL3 0DB
<b>Auditor</b>	KLSA LLP Kalamu House 11 Coldbath Square London EC1R 5HL
<b>Business address</b>	17 David Road Poyle Industrial Estate Colnbrook SL3 0DB
<b>Bankers</b>	Lloyds Bank Plc 25 Gresham Street London EC2V 7HN
<b>Solicitors</b>	P D T Solicitors Chancery Court Queen Street Horsham West Sussex RH13 5AD

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# **PILL BOX CHEMISTS LIMITED**

## **CONTENTS**

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	<b>Page</b>
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 7
Profit and loss account	8
Statement of comprehensive income	9
Group balance sheet	10
Company balance sheet	11
Group statement of changes in equity	12
Company statement of changes in equity	13
Group statement of cash flows	14
Notes to the financial statements	15 - 30

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# **PILL BOX CHEMISTS LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 30 JUNE 2018**

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The directors present the strategic report and financial statements for the year ended 30 June 2018.

#### **Fair review of the business**

The group continues to trade satisfactorily with the pharmacies acquired over the last few years. Turnover for the year ended 30 June 2018 amounted to £26m compared to £25m in the previous year and the operating profit for the year is £267k compared to previous year £189k.

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 group's steady growth in recent years. The outlook for 2019 is reasonably encouraging with the director being optimistic that current performance can be maintained.

#### **Principal risks and uncertainties**

The group faces a number of operating risks and uncertainties. There are a small number of risks that could impact the group'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 group is not exposed to material levels of interest rate risk. The group 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 group 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 group 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 2018***

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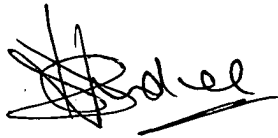
### **Key performance indicators**

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

During the year, the group achieved GP margin of 20.44% (2017: 21.97%) and EBITDA of £1.07m (2017: £1.24m).

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

On behalf of the board



Davinder Singh Virdee

**Director**

28 March 2019



# **PILL BOX CHEMISTS LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 30 JUNE 2018**

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The directors present their annual report and financial statements for the year ended 30 June 2018.

### **Principal activities**

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

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Davinder Singh Virdee  
Harminder Kaur Virdee

### **Results and dividends**

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

### **Auditor**

The auditor, KLSA LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual 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 group and company, and of the profit or loss of the group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually 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 auditor of the company is aware of that information.



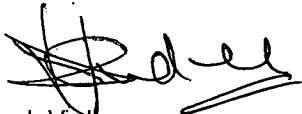
# **PILL BOX CHEMISTS LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2018**

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On behalf of the board



Davinder Singh Virdee

**Director**

28 March 2019



# **PILL BOX CHEMISTS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF PILL BOX CHEMISTS LIMITED**

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#### **Opinion**

We have audited the financial statements of Pill Box Chemists Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2018 which comprise the Group Profit And Loss Account, the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows, the Company Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2018 and of its profit 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.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



# **PILL BOX CHEMISTS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF PILL BOX CHEMISTS LIMITED**

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#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



# **PILL BOX CHEMISTS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF PILL BOX CHEMISTS LIMITED**

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#### **Use of our report**

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 auditor's 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.

**Ketan Shah (Senior Statutory Auditor)**  
for and on behalf of KLSA LLP

28 March 2019

**Chartered Accountants**  
**Statutory Auditor**

Kalamu House  
11 Coldbath Square  
London  
EC1R 5HL



# PILL BOX CHEMISTS LIMITED

## GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 £	2017 £
Turnover	3	26,305,045	25,034,469
Cost of sales		(20,926,542)	(19,533,489)
<b>Gross profit</b>		<b>5,378,503</b>	<b>5,500,980</b>
Administrative expenses		(5,273,139)	(5,452,275)
Other operating income		161,680	140,332
<b>Operating profit</b>	<b>4</b>	<b>267,044</b>	<b>189,037</b>
Interest receivable and similar income	8	12	221
Interest payable and similar expenses	9	(201,017)	(190,205)
<b>Profit/(loss) before taxation</b>		<b>66,039</b>	<b>(947)</b>
Tax on profit/(loss)	10	(61,933)	(54,585)
<b>Profit/(loss) for the financial year</b>		<b>4,106</b>	<b>(55,532)</b>

Profit/(loss) for the financial year is all attributable to the owners of the parent company



# **PILL BOX CHEMISTS LIMITED**

## **GROUP STATEMENT OF COMPREHENSIVE INCOME**

***FOR THE YEAR ENDED 30 JUNE 2018***

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	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Profit/(loss) for the year</b>	4,106	(55,532)
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income for the year</b>	<u>4,106</u>	<u>(55,532)</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.



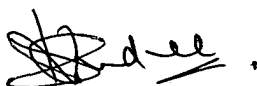
# PILL BOX CHEMISTS LIMITED

## GROUP BALANCE SHEET

AS AT 30 JUNE 2018

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Goodwill	11	4,146,189		3,494,174	
Tangible assets	12	1,600,245		1,618,871	
		<u>5,746,434</u>		<u>5,113,045</u>	
<b>Current assets</b>					
Stocks	16	2,242,426		1,892,450	
Debtors	17	2,995,971		2,747,783	
Cash at bank and in hand		1,893,784		1,104,952	
		<u>7,132,181</u>		<u>5,745,185</u>	
<b>Creditors: amounts falling due within one year</b>	18	<u>(4,804,292)</u>		<u>(4,292,997)</u>	
<b>Net current assets</b>		<u>2,327,889</u>		<u>1,452,188</u>	
<b>Total assets less current liabilities</b>		<u>8,074,323</u>		<u>6,565,233</u>	
<b>Creditors: amounts falling due after more than one year</b>	19	<u>(8,420,212)</u>		<u>(6,989,894)</u>	
<b>Net liabilities</b>		<u>(345,889)</u>		<u>(424,661)</u>	
<b>Capital and reserves</b>					
Called up share capital	22	1,000		1,000	
Revaluation reserve		252,024		252,024	
Profit and loss reserves		<u>(598,913)</u>		<u>(677,685)</u>	
<b>Total equity</b>		<u>(345,889)</u>		<u>(424,661)</u>	

The financial statements were approved by the board of directors and authorised for issue on 28 March 2019 and are signed on its behalf by:



Davinder Singh Virdee  
Director



# PILL BOX CHEMISTS LIMITED


## COMPANY BALANCE SHEET

AS AT 30 JUNE 2018

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Goodwill	11	2,832,004		3,494,174	
Tangible assets	12	1,597,347		1,618,871	
Investments	13	1,315,428		913	
		<u>5,744,779</u>		<u>5,113,958</u>	
<b>Current assets</b>					
Stocks	16	2,206,925		1,892,450	
Debtors	17	2,801,376		2,747,783	
Cash at bank and in hand		1,692,014		1,094,750	
		<u>6,700,315</u>		<u>5,734,983</u>	
<b>Creditors: amounts falling due within one year</b>	18	(4,528,719)		(4,339,586)	
<b>Net current assets</b>		<u>2,171,596</u>		<u>1,395,397</u>	
<b>Total assets less current liabilities</b>		<u>7,916,375</u>		<u>6,509,355</u>	
<b>Creditors: amounts falling due after more than one year</b>	19	(8,420,212)		(6,989,894)	
<b>Net liabilities</b>		<u>(503,837)</u>		<u>(480,539)</u>	
<b>Capital and reserves</b>					
Called up share capital	22	1,000		1,000	
Revaluation reserve		252,024		252,024	
Profit and loss reserves		(756,861)		(733,563)	
<b>Total equity</b>		<u>(503,837)</u>		<u>(480,539)</u>	

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £23,298 (2017 - £51,414 loss).

The financial statements were approved by the board of directors and authorised for issue on 28 March 2019 and are signed on its behalf by:



Davinder Singh Virdee  
Director

Company Registration No. 03784836



# PILL BOX CHEMISTS LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	Share capital	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£
<b>Balance at 1 July 2016</b>	1,000	252,024	(622,153)	(369,129)
<b>Year ended 30 June 2017:</b>				
Loss and total comprehensive income for the year	-	-	(55,532)	(55,532)
<b>Balance at 30 June 2017</b>	1,000	252,024	(677,685)	(424,661)
<b>Year ended 30 June 2018:</b>				
Profit and total comprehensive income for the year	-	-	4,106	4,106
Acquisition of subsidiary	-	-	74,666	74,666
<b>Balance at 30 June 2018</b>	1,000	252,024	(598,913)	(345,889)



# PILL BOX CHEMISTS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2018

	Share capital	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 July 2016	1,000	252,024	(682,149)	(429,125)
Year ended 30 June 2017:				
Loss and total comprehensive income for the year	-	-	(51,414)	(51,414)
Balance at 30 June 2017	1,000	252,024	(733,563)	(480,539)
Year ended 30 June 2018:				
Loss and total comprehensive income for the year	-	-	(23,298)	(23,298)
Balance at 30 June 2018	1,000	252,024	(756,861)	(503,837)



# PILL BOX CHEMISTS LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 £	£	2017 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	28	1,449,847		2,145,282	
Interest paid		(201,017)		(190,205)	
Income taxes paid		(40,000)		(47,271)	
<b>Net cash inflow from operating activities</b>		<u>1,208,830</u>		<u>1,907,806</u>	
<b>Investing activities</b>					
Purchase of intangible assets		(1,239,519)		-	
Purchase of tangible fixed assets		(113,539)		(123,475)	
Proceeds from other investments and loans		39,403		31,180	
Interest received		12		221	
<b>Net cash used in investing activities</b>		<u>(1,313,643)</u>		<u>(92,074)</u>	
<b>Financing activities</b>					
Proceeds of new bank loans		7,797,325		-	
Repayment of bank loans		(6,903,680)		(806,763)	
<b>Net cash generated from/(used in) financing activities</b>		<u>893,645</u>		<u>(806,763)</u>	
<b>Net increase in cash and cash equivalents</b>		<u>788,832</u>		<u>1,008,969</u>	
Cash and cash equivalents at beginning of year		<u>1,104,952</u>		<u>95,983</u>	
<b>Cash and cash equivalents at end of year</b>		<u><u>1,893,784</u></u>		<u><u>1,104,952</u></u>	



# PILL BOX CHEMISTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 30 JUNE 2018**

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### **1 Accounting policies**

#### **Company information**

Pill Box Chemists Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is .

The group consists of Pill Box Chemists Limited and all of its subsidiaries.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

#### **1.2 Basis of consolidation**

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.



# PILL BOX CHEMISTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2018

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#### 1 Accounting policies

(Continued)

The consolidated financial statements incorporate those of Pill Box Chemists Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 June 2018. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

#### 1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

In assessing the validity of the going concern basis, the Directors have considered the level of bank facilities available to the group, and its compliance with bank covenant tests both during the period and for the period ahead. The group has passed all covenants during the period just entered. Having considered the group's financial budget, investment and financing commitments and cash flow commitments requirements for the year until 30 June 2019, the Board expects to continue to meet all financial movements 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 group to continue as going concern.

#### 1.4 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 dispatch of goods.

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

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.5 Intangible fixed assets - goodwill

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

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.



# PILL BOX CHEMISTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2018

#### 1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

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

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

Land and buildings are stated at cost (or deemed cost for land and buildings held at valuation at the date of transition to FRS 102) less accumulated depreciation and accumulated impairment losses or fair value.

The Group previously adopted a policy of revaluing freehold land and buildings and they were stated at their revalued amount less any subsequent depreciation and accumulated impairment losses. The Group has adopted the transition exemption under FRS 102 paragraph 35.10(d) and has elected to use the previous revaluation as deemed cost.

The difference between depreciation based on the deemed cost charged in the profit and loss account and the asset's original cost is transferred from revaluation reserve to retained earnings.

#### 1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.



# PILL BOX CHEMISTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

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### 1 Accounting policies

(Continued)

#### 1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

#### 1.10 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.



# PILL BOX CHEMISTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2018

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#### 1 Accounting policies

(Continued)

##### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### ***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

##### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

#### **1.12 Equity instruments**

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

#### **1.13 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.



# PILL BOX CHEMISTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

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### 1 Accounting policies

(Continued)

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.14 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.15 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.16 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.



# PILL BOX CHEMISTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Turnover

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

### 4 Operating profit

	2018 £	2017 £
Operating profit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	135,884	131,577
Amortisation of intangible assets	662,170	920,125
Cost of stocks recognised as an expense	20,926,542	19,533,489
Operating lease charges	399,002	392,013
	<u>          </u>	<u>          </u>

### 5 Auditor's remuneration

	2018 £	2017 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	21,986	18,228
	<u>          </u>	<u>          </u>

### 6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2018 Number	2017 Number	Company 2018 Number	2017 Number
Management and administrative	19	17	19	17
Sales assistants	94	91	94	91
Dispensers	27	29	27	29
Distribution	23	25	23	25
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	163	162	163	162
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>



# PILL BOX CHEMISTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

### 6 Employees

(Continued)

Their aggregate remuneration comprised:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Wages and salaries	1,954,927	1,853,533	1,977,388	1,853,533
Social security costs	113,665	103,648	113,665	103,648
Pension costs	6,313	4,922	5,292	4,922
	<u>2,074,905</u>	<u>1,962,103</u>	<u>2,096,345</u>	<u>1,962,103</u>

### 7 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	<u>30,000</u>	<u>30,000</u>

### 8 Interest receivable and similar income

	2018 £	2017 £
Interest income		
Interest on bank deposits	<u>12</u>	<u>221</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>12</u>	<u>221</u>
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### 9 Interest payable and similar expenses

	2018 £	2017 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	11,051	9,108
Other interest on financial liabilities	189,966	180,975
	<u>201,017</u>	<u>190,083</u>
<b>Other finance costs:</b>		
Other interest	-	122
Total finance costs	<u>201,017</u>	<u>190,205</u>



# PILL BOX CHEMISTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2018

#### 10 Taxation

	2018 £	2017 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	61,933	54,585

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2018 £	2017 £
Profit/(loss) before taxation	66,039	(947)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.75%)	12,547	(187)
Tax effect of expenses that are not deductible in determining taxable profit	18	40
Depreciation and amortisation added back	71,686	80,063
Capital allowances	(22,318)	(25,331)
Taxation charge for the year	61,933	54,585

#### 11 Intangible fixed assets

Group	Goodwill £
<b>Cost</b>	
At 1 July 2017	13,530,416
Additions - separately acquired	1,314,185
At 30 June 2018	14,844,601
<b>Amortisation and impairment</b>	
At 1 July 2017	10,036,242
Amortisation charged for the year	662,170
At 30 June 2018	10,698,412
<b>Carrying amount</b>	
At 30 June 2018	4,146,189
At 30 June 2017	3,494,174



# PILL BOX CHEMISTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

### 11 Intangible fixed assets

(Continued)

Company	Goodwill £
<b>Cost</b>	
At 1 July 2017 and 30 June 2018	13,530,416
<b>Amortisation and impairment</b>	
At 1 July 2017	10,036,242
Amortisation charged for the year	662,170
At 30 June 2018	10,698,412
<b>Carrying amount</b>	
At 30 June 2018	2,832,004
At 30 June 2017	3,494,174

### 12 Tangible fixed assets

Group	Freehold land and buildings £	Leasehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 July 2017	1,418,018	182,237	835,061	88,996	2,524,312
Additions	-	-	105,589	7,950	113,539
At 30 June 2018	1,418,018	182,237	940,650	96,946	2,637,851
<b>Depreciation and impairment</b>					
At 1 July 2017	236,458	43,681	557,706	63,877	901,722
Depreciation charged in the year	28,360	3,630	96,207	7,687	135,884
At 30 June 2018	264,818	47,311	653,913	71,564	1,037,606
<b>Carrying amount</b>					
At 30 June 2018	1,153,200	134,926	286,737	25,382	1,600,245
At 30 June 2017	1,181,560	138,556	276,727	22,028	1,618,871



# PILL BOX CHEMISTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

### 12 Tangible fixed assets

(Continued)

Company	Freehold land and buildings	Leasehold land and buildings	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 July 2017	1,418,018	182,237	830,383	83,546	2,514,184
Additions	-	-	105,589	7,950	113,539
At 30 June 2018	1,418,018	182,237	935,972	91,496	2,627,723
<b>Depreciation and impairment</b>					
At 1 July 2017	236,458	43,681	553,656	61,518	895,313
Depreciation charged in the year	28,360	3,630	95,579	7,494	135,063
At 30 June 2018	264,818	47,311	649,235	69,012	1,030,376
<b>Carrying amount</b>					
At 30 June 2018	1,153,200	134,926	286,737	22,484	1,597,347
At 30 June 2017	1,181,560	138,556	276,727	22,028	1,618,871

### 13 Fixed asset investments

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Investments in subsidiaries	14	-	-	1,315,428	913

#### Movements in fixed asset investments

Company	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 July 2017	913
Additions	1,314,515
At 30 June 2018	1,315,428
<b>Carrying amount</b>	
At 30 June 2018	1,315,428
At 30 June 2017	913



# PILL BOX CHEMISTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

### 14 Subsidiaries

Details of the company's subsidiaries at 30 June 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Bassil Limited	England and Wales	Pharmacy	Ordinary	100.00	
Breakspear (Ashford) Limited	England and Wales	Pharmacy	Ordinary	100.00	
Gorham Medical Limited	England and Wales	Pharmacy	Ordinary	100.00	

### 15 Financial instruments

	Group 2018 £	2017 £	Company 2018 £	2017 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	2,509,325	2,389,895	2,362,038	2,389,895
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	13,071,261	11,156,763	12,795,688	11,203,352

### 16 Stocks

	Group 2018 £	2017 £	Company 2018 £	2017 £
Finished goods and goods for resale	2,242,426	1,892,450	2,206,925	1,892,450

### 17 Debtors

	Group 2018 £	2017 £	Company 2018 £	2017 £
<b>Amounts falling due within one year:</b>				
Trade debtors	2,506,343	2,347,992	2,359,988	2,347,992
Other debtors	439,542	347,882	392,668	347,882
Prepayments and accrued income	50,086	51,909	48,720	51,909
	2,995,971	2,747,783	2,801,376	2,747,783



# PILL BOX CHEMISTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

### 18 Creditors: amounts falling due within one year

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Bank loans and overdrafts	20	451,065	987,738	451,065	987,738
Trade creditors		3,323,131	2,612,682	3,063,848	2,612,682
Amounts due to group undertakings		-	-	335,962	282,637
Corporation tax payable		121,513	99,580	121,513	99,580
Other taxation and social security		31,730	26,548	31,730	26,548
Other creditors		615,747	382,835	282,361	152,187
Accruals and deferred income		261,106	183,614	242,240	178,214
		<u>4,804,292</u>	<u>4,292,997</u>	<u>4,528,719</u>	<u>4,339,586</u>

### 19 Creditors: amounts falling due after more than one year

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Bank loans and overdrafts	20	8,420,212	6,989,894	8,420,212	6,989,894
		<u>8,420,212</u>	<u>6,989,894</u>	<u>8,420,212</u>	<u>6,989,894</u>

### 20 Loans and overdrafts

		Group 2018 £	2017 £	Company 2018 £	2017 £
Bank loans		8,871,277	7,977,632	8,871,277	7,977,632
		<u>8,871,277</u>	<u>7,977,632</u>	<u>8,871,277</u>	<u>7,977,632</u>
Payable within one year		451,065	987,738	451,065	987,738
Payable after one year		8,420,212	6,989,894	8,420,212	6,989,894
		<u>8,871,277</u>	<u>7,977,632</u>	<u>8,871,277</u>	<u>7,977,632</u>

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.

### 21 Retirement benefit schemes

	2018 £	2017 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	6,313	4,922
	<u>6,313</u>	<u>4,922</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.



# PILL BOX CHEMISTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

### 22 Share capital

	Group and company	
	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000

### 23 Acquisitions

On 21 May 2018 the group acquired 100 percent of the issued capital of Gorham Medical Limited.

	Book Value	Adjustments	Fair Value
	£	£	£
Stock	42,601	-	42,601
Current assets	339,988	-	339,988
Current liabilities	(351,022)	-	(351,022)
Cash and cash equivalents	43,429	-	43,429
Total identifiable net assets	74,996	-	74,996
Goodwill			1,239,519
Total consideration			1,314,515
The consideration was satisfied by:			£
Cash			1,314,515
Contribution by the acquired business for the reporting period included in the consolidated statement of comprehensive income since acquisition:			£
Turnover			205,398
Profit after tax			31,594



# PILL BOX CHEMISTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

### 24 Operating lease commitments

#### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Between two and five years	1,042,492	1,449,544	1,042,492	1,449,544
In over five years	338,625	782,250	338,625	782,250
	<u>1,381,117</u>	<u>2,231,794</u>	<u>1,381,117</u>	<u>2,231,794</u>

### 25 Related party transactions

The company has taken advantage of the exemption available in FRS 102 (s33 "Related Party Disclosure"), where it has not disclosed transactions with any wholly owned subsidiary undertaking of the group.

The company paid rent during the year of £166,000 (2017: £166,000) to Nagina Investments Limited. At the balance sheet date, the amount due to Nagina Investments Limited amounted to £345,021 (2017: £245,021). The companies are related by virtue of common directors and shareholders.

### 26 Directors' transactions

At the balance sheet date, the balance payable to the director, Mr D Virdee, amounted to £144,634 (2017: receivable £39,402).

### 27 Controlling party

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



# PILL BOX CHEMISTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

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### 28 Cash generated from group operations

	2018 £	2017 £
Profit/(loss) for the year after tax	4,106	(55,532)
Adjustments for:		
Taxation charged	61,933	54,585
Finance costs	201,017	190,205
Investment income	(12)	(221)
Amortisation and impairment of intangible assets	662,170	920,125
Depreciation and impairment of tangible fixed assets	135,884	131,577
Movements in working capital:		
(Increase) in stocks	(353,695)	(22,730)
(Increase)/decrease in debtors	(157,010)	1,180,195
Increase/(decrease) in creditors	895,454	(252,922)
<b>Cash generated from operations</b>	<b>1,449,847</b>	<b>2,145,282</b>