

A & H PHARMACIES LIMITED
UNAUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019

A & H PHARMACIES LIMITED
REGISTERED NUMBER:05118842

BALANCE SHEET
AS AT 31 MAY 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	5	24,021	30,604
Investments	6	502,081	503,772
Investment property	7	528,713	528,713
		<u>1,054,815</u>	<u>1,063,089</u>
Current assets			
Stocks		105,679	99,346
Debtors: amounts falling due within one year	8	1,454,716	1,022,743
Cash at bank and in hand		324,968	695,056
		<u>1,885,363</u>	<u>1,817,145</u>
Creditors: amounts falling due within one year	9	(417,552)	(398,170)
Net current assets		<u>1,467,811</u>	<u>1,418,975</u>
Total assets less current liabilities		<u>2,522,626</u>	<u>2,482,064</u>
Creditors: amounts falling due after more than one year	10	(445,242)	(502,961)
Provisions for liabilities			
Deferred tax	12	(31,037)	(34,348)
		<u>(31,037)</u>	<u>(34,348)</u>
Net assets		<u><u>2,046,347</u></u>	<u><u>1,944,755</u></u>
Capital and reserves			
Called up share capital		100	100
Investment property reserve	13	24,300	24,300
Other reserves	13	91,182	100,598
Profit and loss account	13	1,930,765	1,819,757
		<u><u>2,046,347</u></u>	<u><u>1,944,755</u></u>

A & H PHARMACIES LIMITED
REGISTERED NUMBER:05118842

BALANCE SHEET (CONTINUED)
AS AT 31 MAY 2019

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

K Ali
Director

M F Haji
Director

Date: 10 February 2020

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019**

1. General information

A & H Pharmacies Limited is a private company limited by shares, incorporated in England and Wales. Its registered office is Millhouse, 32-38 East Street, Rochford, Essex, SS4 1DB.

The Principal of the company continued to be that of a dispensing chemist.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019

2. Accounting policies (continued)

2.4 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.5 Finance costs

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

2.6 Borrowing costs

All borrowing costs are recognised in the statement of comprehensive income in the year in which they are incurred.

2.7 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.8 Current and deferred taxation

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019**

2. Accounting policies (continued)**2.9 Intangible assets**

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

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

2.10 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Freehold property	-	25%	Reducing balance
Motor vehicles	-	20%	Reducing balance
Fixtures and fittings	-	25%	Reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

2.11 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the statement of comprehensive income.

2.12 Valuation of investments

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019

2. Accounting policies (continued)

2.13 Stocks

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

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

2.14 Debtors

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

2.15 Cash and cash equivalents

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

2.16 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.17 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

2.18 Provisions for liabilities

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

Provisions are charged as an expense to the statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

2.19 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019**

2. Accounting policies (continued)**2.19 Financial instruments (continued)**

impairment loss is recognised in the statement of comprehensive income.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.20 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid.

Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

The average monthly number of employees, including directors, during the year was 14 (2018 - 13).

4. Intangible assets

	Goodwill
	£
Cost	
At 1 June 2018	874,400
At 31 May 2019	874,400
Amortisation	
At 1 June 2018	874,400
At 31 May 2019	874,400
Net book value	
At 31 May 2019	-
At 31 May 2018	-

A & H PHARMACIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019

5. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 June 2018	42,172	177,471	219,643
Additions	-	1,830	1,830
Disposals	-	(1,369)	(1,369)
At 31 May 2019	42,172	177,932	220,104
Depreciation			
At 1 June 2018	40,846	148,193	189,039
Charge for the year on owned assets	332	7,511	7,843
Disposals	-	(799)	(799)
At 31 May 2019	41,178	154,905	196,083
Net book value			
At 31 May 2019	994	23,027	24,021
<i>At 31 May 2018</i>	<i>1,326</i>	<i>29,278</i>	<i>30,604</i>

6. Fixed asset investments

	Investments in associates £	Listed investments £	Total £
Cost or valuation			
At 1 June 2018	100	503,672	503,772
Additions	-	9,934	9,934
Revaluations	-	(11,625)	(11,625)
At 31 May 2019	100	501,981	502,081

A & H PHARMACIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019**

7. Investment property

	Freehold investment property £
Valuation	
At 1 June 2018	528,713
	<hr/>
At 31 May 2019	528,713
	<hr/> <hr/>

The 2019 valuations were made by the directors of the company, on an open market value for existing use basis.

	2019 £	2018 £
Revaluation reserves		
At 1 June 2018	24,300	24,300
	<hr/> <hr/>	<hr/> <hr/>

8. Debtors

	2019 £	2018 £
Trade debtors	155,894	263,099
Amounts owed by group undertakings	1,222,017	732,017
Other debtors	63,550	22,488
Prepayments and accrued income	13,255	5,139
	<hr/> 1,454,716	<hr/> 1,022,743
	<hr/> <hr/>	<hr/> <hr/>

9. Creditors: Amounts falling due within one year

	2019 £	2018 £
Bank loans	54,311	52,367
Trade creditors	300,004	279,853
Taxation and social security	34,868	37,344
Other creditors	25,418	25,012
Accruals and deferred income	2,951	3,594
	<hr/> 417,552	<hr/> 398,170
	<hr/> <hr/>	<hr/> <hr/>

A & H PHARMACIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019**

10. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Bank loans	445,242	502,961
	<u>445,242</u>	<u>502,961</u>

The following liabilities were secured:

	2019 £	2018 £
Bank Loan	499,553	555,328
	<u>499,553</u>	<u>555,328</u>

Details of security provided:

The bank loan is secured by a fixed and floating charges over the company's property and assets together with a personal guarantee from the directors of the company.

11. Loans

Analysis of the maturity of loans is given below:

	2019 £	2018 £
Amounts falling due within one year		
Bank loans	54,311	52,367
Amounts falling due 1-2 years		
Bank loans	56,327	54,311
Amounts falling due 2-5 years		
Bank loans	181,837	175,330
Amounts falling due after more than 5 years		
Bank loans	207,078	273,320
	<u>499,553</u>	<u>555,328</u>

A & H PHARMACIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019**

12. Deferred taxation

	2019 £	2018 £
At beginning of year	34,348	33,938
Charged to profit or loss	(3,311)	410
At end of year	<u>31,037</u>	<u>34,348</u>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	3,949	5,051
Change on investments fair value movement	21,388	23,597
Change on investment property fair value movement	5,700	5,700
	<u>31,037</u>	<u>34,348</u>

13. Reserves

Investment property revaluation reserve

This reserve records increases in fair value of investment land and buildings and decreases to the extent that such decreases relate to an increase on the same asset. Deferred tax on the revaluation is netted off here against gross valuation.

The reserve is a non-distributable reserve.

Other reserves

This reserve records increases in fair value of listed investments and decreases to the extent that such decreases relate to an increase on the same asset. Deferred tax on the revaluation is netted off here against gross valuation.

The reserve is a non-distributable reserve.

Profit and loss account

All reserves in respect of profit and loss are distributable reserves.

14. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £6,937 (2018: £6,896).

A & H PHARMACIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019**

15. Related party transactions

Included within debtors is an interest free loan of £1,222,017 (2018: £732,017) due from a company which is jointly controlled by a director of A & H Pharmacies Limited. During the year the company was advanced £490,000 and repaid £Nil.

Included within other debtors is a loan to F Haji, a director, amounting to £49,556 (2018: £11,927). During the year the company advanced £60,582 and repaid £22,953.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.