

A & H PHARMACIES LIMITED
UNAUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2018

A & H PHARMACIES LIMITED
REGISTERED NUMBER:05118842

BALANCE SHEET
AS AT 31 MAY 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	5	30,604	38,182
Investments	6	503,772	489,076
Investment property	7	528,713	201,633
		<u>1,063,089</u>	<u>728,891</u>
Current assets			
Stocks		99,346	93,457
Debtors: amounts falling due within one year	8	1,022,743	751,456
Cash at bank and in hand		695,056	803,199
		<u>1,817,145</u>	<u>1,648,112</u>
Creditors: amounts falling due within one year	9	(398,170)	(377,259)
Net current assets		<u>1,418,975</u>	<u>1,270,853</u>
Total assets less current liabilities		<u>2,482,064</u>	<u>1,999,744</u>
Creditors: amounts falling due after more than one year	10	(502,961)	(184,387)
Provisions for liabilities			
Deferred tax	12	(34,348)	(33,938)
		<u>(34,348)</u>	<u>(33,938)</u>
Net assets		<u><u>1,944,755</u></u>	<u><u>1,781,419</u></u>
Capital and reserves			
Called up share capital		100	100
Investment property reserve		24,300	24,300
Other reserves		100,598	97,011
Profit and loss account		1,819,757	1,660,008
		<u><u>1,944,755</u></u>	<u><u>1,781,419</u></u>

A & H PHARMACIES LIMITED
REGISTERED NUMBER:05118842

BALANCE SHEET (CONTINUED)
AS AT 31 MAY 2018

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 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: 21 January 2019

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2018

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.

2.4 Interest income

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2018

2. Accounting policies (continued)**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 2018

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 2018

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2018**

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

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

3. Employees

The average monthly number of employees, including directors, during the year was 13 (2017 - 14).

4. Intangible assets

	Goodwill
	£
Cost	
At 1 June 2017	874,400
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At 31 May 2018	874,400
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Amortisation	
At 1 June 2017	874,400
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At 31 May 2018	874,400
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Net book value	
At 31 May 2018	-
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At 31 May 2017	-
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A & H PHARMACIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2018

5. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 June 2017	42,172	9,098	171,182	222,452
Additions	-	-	6,289	6,289
Disposals	-	(9,098)	-	(9,098)
At 31 May 2018	42,172	-	177,471	219,643
Depreciation				
At 1 June 2017	40,403	4,673	139,194	184,270
Charge for the year on owned assets	443	-	8,999	9,442
Disposals	-	(4,673)	-	(4,673)
At 31 May 2018	40,846	-	148,193	189,039
Net book value				
At 31 May 2018	1,326	-	29,278	30,604
At 31 May 2017	1,769	4,425	31,988	38,182

A & H PHARMACIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2018

6. Fixed asset investments

	Investments in associates	Listed investments	Total
	£	£	£
Cost or valuation			
At 1 June 2017	100	488,976	489,076
Additions	-	10,268	10,268
Revaluations	-	4,428	4,428
At 31 May 2018	100	503,672	503,772
Net book value			
At 31 May 2018	100	503,672	503,772
At 31 May 2017	100	488,976	489,076

7. Investment property

	Freehold investment property
	£
Valuation	
At 1 June 2017	201,633
Additions at cost	327,080
At 31 May 2018	528,713

The 2018 valuations were made by the directors of the company, on an open market value for existing use basis.

	2018 £	2017 £
Revaluation reserves		
At 1 June 2017	24,300	12,000

A & H PHARMACIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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8. Debtors

	2018 £	2017 £
Trade debtors	263,099	260,557
Amounts owed by group undertakings	732,017	377,017
Other debtors	22,488	111,646
Prepayments and accrued income	5,139	2,236
	<u>1,022,743</u>	<u>751,456</u>

9. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank loans	52,367	18,552
Trade creditors	279,853	244,750
Taxation and social security	37,344	61,078
Other creditors	25,012	35,157
Accruals and deferred income	3,594	17,722
	<u>398,170</u>	<u>377,259</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2018**

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

	2018	2017
	£	£
Bank loans	502,961	184,387
	<u>502,961</u>	<u>184,387</u>

The following liabilities were secured:

	2018	2017
	£	£
Bank Loan	555,328	202,939
	<u>555,328</u>	<u>202,939</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:

	2018	2017
	£	£
Amounts falling due within one year		
Bank loans	52,367	18,552
Amounts falling due 1-2 years		
Bank loans	54,311	18,552
Amounts falling due 2-5 years		
Bank loans	175,330	55,656
Amounts falling due after more than 5 years		
Bank loans	273,320	110,179
	<u>555,328</u>	<u>202,939</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2018**

12. Deferred taxation

	2018	2017
	£	£
At beginning of year	(33,938)	(22,458)
Charged to profit or loss	(410)	(11,480)
At end of year	<u>(34,348)</u>	<u>(33,938)</u>

The provision for deferred taxation is made up as follows:

	2018	2017
	£	£
Accelerated capital allowances	(5,051)	(5,482)
Change on investments fair value movement	(23,597)	(22,756)
Change on investment property fair value movement	(5,700)	(5,700)
	<u>(34,348)</u>	<u>(33,938)</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 £6,896 (2017: £6,146).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2018

15. Related party transactions

Included within debtors is an interest free loan of £732,017 (2017: £377,017) due from a company which is jointly controlled by a director of A & H Pharmacies Ltd. During the year the company was advanced £355,000 and repaid £Nil.

Included within other debtors is a loan to F Haji, a director, amounting to £11,927 (2017: £Nil). Amounts repaid during the year totaled £Nil.

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.