

ASSAN PHARMACY LIMITED

**Annual Report and Financial
Statements**

For the year ended 31 August 2015

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**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

CONTENTS	Page
Officers and professional advisers	1
Strategic report	2
Directors' report	3
Directors' responsibilities statement	5
Independent auditor's report	6
Profit and loss account	8
Balance sheet	9
Notes to the financial statements	10

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A I Patel	(Resigned 26 November 2015)
Y I Patel	(Resigned 26 November 2015)
C B Fishwick	(Resigned 26 November 2015)
N Salim	(Resigned 1 September 2014)
S Wild	(Resigned 19 September 2014)
A J Caunce	(Appointed 26 November 2015)
Gorgemead Limited	(Appointed 26 November 2015)

REGISTERED OFFICE

Lynstock House
Lynstock Way
Lostock
Bolton
Lancashire
BL6 4SA

BANKERS

The Royal Bank of Scotland plc
3 Hardman Boulevard
Manchester
M3 3AQ

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
2 Hardman Street
Manchester
M3 3HF
United Kingdom

STRATEGIC REPORT (continued)

The directors present their strategic report on the affairs of the company, together with the directors' report, audited financial statements, and auditor's report, for the year ended 31 August 2015.

PRINCIPAL ACTIVITIES

The company has not traded in the current year and is not expected to recommence trading in the foreseeable future.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

On 1 September 2014, the trade and assets of Assan Pharmacy Limited were hived up into Gorgemead Limited, the immediate parent company. Assan Pharmacy Limited has not traded since this date. For more information please see the disclosure made in note 1 to the financial statements.

BUSINESS AND FINANCIAL RISKS

The company operates in a highly regulated market and significant changes to those regulations may have a significant impact on the business, adverse or otherwise.

The company is subject to the rules and regulations of a number of authorities and regulatory bodies, the directors consider these uncertainties in the external environment when developing their strategy and reviewing performance. As part of our day-to-day operations we engage with relevant organisations to ensure we continue to trade under the current guidelines and to ensure that the views of our customers and employees are represented and try to contribute to important changes in policy.

The directors and the management of the company constantly review any potential changes to regulations that may have an adverse or otherwise impact on the business.

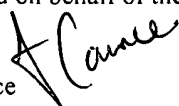
The company has established a risk and financial management framework whose primary objective is to protect the company from events that hinder the achievement of its performance objectives.

The company finances the operations through bank funding and related party funding as shown in note 11. The company is at potential risk from an increase in interest rates on the bank facility, and monitors any changes in interest rates so that action can be taken in a timely manner if necessary.

Approved by the Board of Directors on 10 March 2016
and signed on behalf of the Board

A J Caunce

Director



DIRECTORS' REPORT

The directors present their annual report on the affairs of the company, together with the audited financial statements for the year ended 31 August 2015. The company's principal activities, business review and discussion of risks are presented within the strategic report.

RESULTS AND DIVIDENDS

The results for the year are set out on page 7.

The company had a loss after tax of £19,830 (2014 – profit of £1,159,196) which has been transferred from reserves (2014 – transferred to reserves). The directors are unable to recommend payment of a dividend (2014 – same).

DIRECTORS

The following directors have held office since 1 September 2014:

A I Patel	(Resigned 26 November 2015)
Y I Patel	(Resigned 26 November 2015)
C B Fishwick	(Resigned 26 November 2015)
N Salim	(Resigned 1 September 2014)
S Wild	(Resigned 19 September 2014)
A J Caunce	(Appointed 26 November 2015)
Gorgemead Limited	(Appointed 26 November 2015)

GOING CONCERN

Due to the cessation of trade during the year, the directors have prepared the financial statements on a basis other than that of a going concern. Further details regarding the basis of preparation can be found within note 1 of the financial statements.

DISABLED EMPLOYEES

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

EMPLOYEE INVOLVEMENT

During the year, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue as auditor for another term and appropriate arrangements are being put in place for them to be deemed reappointed in the absence of an Annual General Meeting.

Approved by the Board of Directors on 10 MARCH 2016
and signed on behalf of the Board


A J Caunce

DIRECTORS' RESPONSIBILITIES STATEMENT

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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASSAN PHARMACY LIMITED

We have audited the financial statements of Assan Pharmacy Limited for the year ended 31 August 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - Financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

Opinion on other matter prescribed by the Companies Act 2006

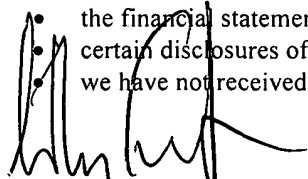
In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASSAN PHARMACY LIMITED (continued)

Matters on which we are required to report by exception

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

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



Anthony Farnworth BA (Hons) ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester, United Kingdom

10 MARCH 2016

PROFIT AND LOSS ACCOUNT
For the year ended 31 August 2015

	Note	2015 £	2014 £
TURNOVER	2	-	40,263,448
Cost of sales		-	(28,484,752)
GROSS RESULT/PROFIT		-	11,778,696
Administrative expenses		(19,830)	(10,125,148)
Other operating income		-	67,000
OPERATING (LOSS)/PROFIT	3	(19,830)	1,720,548
Interest payable and similar charges	4	-	(13,502)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(19,830)	1,707,046
Tax on (loss)/profit on ordinary activities	5	-	(547,850)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	15,16	(19,830)	1,159,196

All results relate to discontinued activities in this company.

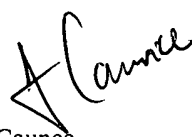
There are no recognised gains and losses other than the loss for the current year and profit for the preceding year as shown above. Accordingly, no separate statement of total recognised gains and losses has been presented.

BALANCE SHEET
As at 31 August 2015

	Note	2015 £	2014 £
FIXED ASSETS			
Intangible assets	6	-	14,824,393
Tangible assets	7	-	3,123,289
Investments	8	-	1,654,116
		<u>-</u>	<u>19,601,798</u>
CURRENT ASSETS			
Stocks	9	-	2,072,473
Debtors	10	15,662,664	17,711,006
Cash at bank and in hand		-	2,301,382
		<u>15,662,664</u>	<u>22,084,861</u>
CREDITORS: Amounts falling due within one year	11	-	(26,004,165)
NET CURRENT ASSETS/(LIABILITIES)		<u>15,662,664</u>	<u>(3,919,304)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES BEING NET ASSETS		<u>15,662,664</u>	<u>15,682,494</u>
CAPITAL AND RESERVES			
Called-up share capital	14	17,000,000	17,000,000
Profit and loss account	15	(1,337,336)	(1,317,506)
SHAREHOLDER'S FUNDS	16	<u>15,662,664</u>	<u>15,682,494</u>

The financial statements of Assan Pharmacy Limited (company registration number 05171309), were approved by the Board of Directors and authorised for issue on **10 March** 2016.

Signed on behalf of the Board of Directors.


A J Caunce
Director

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2015

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and preceding year.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable law and United Kingdom accounting standards.

Going concern

In accordance with FRS 18, the financial statements have been prepared on a basis other than that of a going concern.

On 1 September 2014 the trade and assets of the company were hived up into Gorgemead Limited, a company under common control, as disclosed in note 21 to these financial statements. The company has not traded since this date. No adjustments have arisen as a result of this basis of preparation.

Consolidated financial statements

The company and its subsidiary undertakings are included in consolidated financial statements for a larger group, Asan Holdings Limited incorporated in Jersey, drawn up to the same date in the same financial year. Accordingly the company, in accordance with the exemption in section 401 of the Companies Act 2006, has not prepared consolidated financial statements.

Cash flow statement

The company has taken exemption from preparing a cash flow statement on the grounds that its cash flows are included in the consolidated financial statements of its ultimate parent company Asan Holdings Limited, which are publicly available.

Intangible fixed assets

Goodwill, representing the excess of the purchase price over the fair value of the net assets acquired, is capitalised and reviewed for impairment annually. It is reviewed for impairment at the end of the first full financial year following the acquisition and annually thereafter.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is provided on all tangible fixed assets, other than land, at rates calculated to write off the cost, less estimated residual value, over the useful economic life of that asset as follows:

Leasehold improvements	over the remaining period of the lease
Motor vehicles	25% reducing balance
Fixtures & fittings and equipment	10% straight line
Plant and machinery	20% - 33% straight line

Freehold land is not depreciated.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 August 2015

1. ACCOUNTING POLICIES (continued)

Impairments

Fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of net realisable value and value-in-use, are recognised as impairments. Impairment losses are recognised in the profit and loss account.

Investments

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

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is the purchase price of the materials. Net realisable value is based on estimated selling price less all further marketing, selling and distribution costs. Provision is made for obsolete, slow moving or defective items where appropriate.

Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the profit and loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 August 2015

2. TURNOVER

The turnover shown in the profit and loss account represents amounts derived from the sale of goods and dispensing of prescription medicines and associated services wholly in the UK, exclusive of Value Added Tax. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer.

3. OPERATING (LOSS)/PROFIT

	2015 £	2014 £
This is stated after charging:		
Impairment of fixed asset investments	19,830	-
Amortisation of intangible assets	-	916,297
Depreciation of tangible assets	-	485,338
Loss on disposal of tangible assets	-	1,677
Operating lease payments		
- Plant and machinery	-	53,483
- Other assets	-	1,018,537
Fees payable to the company's auditor for the audit of the company's annual financial statements	-	11,000
Fees payable to the company's auditor for tax services to the company	-	3,250
	<u> </u>	<u> </u>

Audit fees were borne by other entities under common control and not recharged in 2015.

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £	2014 £
Other interests	-	13,502
	<u> </u>	<u> </u>

5. TAXATION

	2015 £	2014 £
Domestic current year tax		
UK corporation tax on (loss)/profit for the year	-	577,800
Adjustment in respect of previous years	-	10,724
	<u> </u>	<u> </u>
	-	588,524
Deferred tax credit		
Origination and reversal of timing differences	-	(44,657)
Effect of changes in tax rates	-	4,356
Adjustment in respect of prior years	-	(373)
	<u> </u>	<u> </u>
	-	(40,674)
Total tax on (loss)/profit on ordinary activities	<u> </u>	<u> </u>
	-	547,850

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 August 2015

5. TAXATION (continued)

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the (loss)/profit before tax are as follows:

	2015 £	2014 £
Factors affecting tax for the year:		
(Loss)/profit on ordinary activities before taxation	(19,830)	1,707,046
Tax on ordinary activities at UK standard rate of 20.58% (2014 – 22.16%)	(4,081)	378,309
Effects of:		
Non-deductible expenses	4,081	154,834
Capital allowances for year less than depreciation	-	44,657
Adjustments in respect of previous periods	-	10,724
Current tax charge for the year	-	588,524

From 1 April 2014, the standard rate of UK corporation tax changed from 23% to 21%. The standard rate of UK corporation tax has fallen further to 20% from 1 April 2015.

6. INTANGIBLE FIXED ASSETS

	Lease premium £	Goodwill £	Total £
Cost			
As at 1 September 2014	1,144,102	16,905,473	18,049,575
Disposal (note 21)	(1,144,102)	(16,905,473)	(18,049,575)
As at 31 August 2015	-	-	-
Amortisation			
As at 1 September 2014	105,279	3,119,903	3,225,182
Disposal (note 21)	(105,279)	(3,119,903)	(3,225,182)
As at 31 August 2015	-	-	-
Net book value			
As at 31 August 2015	-	-	-
As at 31 August 2014	1,038,823	13,785,570	14,824,393

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 August 2015

7. TANGIBLE FIXED ASSETS

	Land and buildings Freehold £	Land and buildings Long leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost						
As at 1 September 2014	208,172	1,975,105	170,261	2,923,695	40,868	5,318,101
Disposal (note 21)	(208,172)	(1,975,105)	(170,261)	(2,923,695)	(40,868)	(5,318,101)
As at 31 August 2015	-	-	-	-	-	-
Depreciation						
As at 1 September 2014	-	611,261	110,944	1,461,539	11,068	2,194,812
Disposal (note 21)	-	(611,261)	(110,944)	(1,461,539)	(11,068)	(2,194,812)
As at 31 August 2015	-	-	-	-	-	-
Net book value						
As at 31 August 2015	-	-	-	-	-	-
As at 31 August 2014	208,172	1,363,844	59,317	1,462,156	29,800	3,123,289

8. FIXED ASSET INVESTMENTS

	Shares in subsidiary under- takings £
Cost	
As at 1 September 2014	1,654,116
Disposals	(1,634,286)
Impairment	(19,830)
Net book value	
As at 31 August 2015	-
As at 31 August 2014	1,654,116

On 1 September 2014, the investments held in Harvey and Richardson Holdings Limited and Assan Pharmacy (South West) Limited were transferred to Gorgemead Limited, a company under common control. The remaining investments were all dissolved in the year and the investments have been written off incurring an impairment charge in the year.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 August 2015

8. FIXED ASSET INVESTMENT (continued)

During the year the company held more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class of share	Shares held %
Clearup Limited	England & Wales	Ordinary	100
P & L Worsley Limited	England & Wales	Ordinary	100
Armside Chemist Limited	England & Wales	Ordinary	100
Harvey & Richardson Holdings Limited	England & Wales	Ordinary	100
Assan Pharmacy (South West) Limited	England & Wales	Ordinary	100

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

	Principal activity	Capital and reserves £	Profit/ (loss) for the year £
Clearup Limited	Dissolved	N/a	-
P&L Worsley Limited	Dissolved	N/a	-
Armside Chemists Limited	Dissolved	N/a	-
Harvey & Richardson (Holdings) Limited	Dormant	(403,483)	-
Assan Pharmacy (South West) Limited	Retail dispensing chemist	983,115	-

9. STOCKS

	2015 £	2014 £
Finished goods and goods for resale	-	2,072,473

There is no material difference between the balance sheet value of stocks and their replacement costs.

10. DEBTORS: ALL AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Trade debtors	-	6,475,238
Amounts owed by parent and fellow subsidiary undertakings	15,662,664	9,893,966
Other debtors	-	946,753
Prepayments and accrued income	-	365,625
Deferred tax asset (note 12)	-	29,424
	<u>15,662,664</u>	<u>17,711,006</u>

All amounts are due within one year.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 August 2015

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Trade creditors	-	5,428,518
Amounts owed to parent and fellow subsidiary undertakings	-	19,984,898
Corporation tax	-	228,519
Other taxes and social security	-	111,112
Accruals and deferred income	-	251,118
	<u>-</u>	<u>26,004,165</u>

12. PROVISIONS FOR LIABILITIES

	Deferred tax liability/(asset) £
As at 1 September 2014	(29,424)
Disposal (note 21)	29,424
	<u>-</u>
As at 31 August 2015 (note 10)	<u>-</u>

Deferred taxation is provided as follows:

	2015 £	2014 £
Decelerated capital allowances	<u>-</u>	<u>(29,424)</u>

13. PENSION AND OTHER POST-RETIREMENT BENEFIT COMMITMENTS DEFINED CONTRIBUTION

	2015 £	2014 £
Contributions payable by the company for the year	<u>-</u>	<u>25,926</u>

14. CALLED-UP SHARE CAPITAL

	2015 £	2014 £
Allotted, called-up and fully paid 17,000,000 ordinary shares of £1 each	<u>17,000,000</u>	<u>17,000,000</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 August 2015

15. PROFIT AND LOSS ACCOUNT

	Profit and loss account £
Balance at 1 September 2014	(1,317,506)
Loss for the year	(19,830)
	<hr/>
Balance at 31 August 2015	(1,337,336)
	<hr/> <hr/>

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2015 £	2014 £
(Loss)/profit for the financial year	(19,830)	1,159,196
Opening shareholder's funds	15,682,494	14,523,298
	<hr/>	<hr/>
Closing shareholder's funds	15,662,664	15,682,494
	<hr/> <hr/>	<hr/> <hr/>

17. CONTINGENT LIABILITIES

The company has contingent liabilities of £37,916,678 (2014 - £42,916,670). This relates to a cross guarantee on bank loans with the parent company and related parties. There is an intercreditor deed in place in respect of a £45 million senior term facility agreement between Asan Holdings Limited and its subsidiaries, which includes this company.

The utilisation by this company amounts to £nil (2014 - £nil).

18. FINANCIAL COMMITMENTS

At 31 August 2015 the company was committed to making the following payments under non-cancellable operating leases:

	Land and buildings 2015 £	2014 £
Operating leases which expire:		
Between two and five years	-	26,000
In over five years	-	955,914
	<hr/>	<hr/>
	-	981,914
	<hr/> <hr/>	<hr/> <hr/>

19. DIRECTORS' REMUNERATION

Directors' remuneration is borne by other entities under common control and is not recharged.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 August 2015

20. EMPLOYEES

Number of employees

Average monthly number of persons employed (including directors) during the year was:

	2015	2014
	Number	Number
Non- management	-	216
Management	-	37
	<u>-</u>	<u>253</u>

Employment costs

	2015	2014
	£	£
Wages and salaries	-	5,866,632
Social security costs	-	389,497
Other pension costs	-	25,926
	<u>-</u>	<u>6,282,055</u>

All employees were transferred to Gorgemead Limited on 1 September 2014.

21. DISPOSAL

On 1 September 2014, the trade and assets of Assan Pharmacy Limited were hived up into Gorgemead Limited, the immediate parent company. Assan Pharmacy Limited has not traded since this date.

22. CONTROL

The ultimate parent company of Assan Pharmacy Limited is Asan Holdings Limited, a company registered in Jersey. Asan Holdings Limited is also the parent company of the largest and smallest group of undertakings for which group financial statements are made up. Copies of the financial statements of the parent company are available from Lynstock House, Lynstock Way, Lostock, Bolton, BL6 4SA.

In the opinion of the directors the company was under the control of A I Patel and Y I Patel during both the current and preceding year.

ASSAN PHARMACY LIMITED

Company Registration No. 05171309

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 August 2015

23. RELATED PARTY TRANSACTIONS

The following companies are under the common control of A I Patel and Y I Patel:

Asan Holdings Limited
Assan Pharmacy (South West) Limited
Bridge Pharmacy Limited
Cityfocus Limited
Darwen (HCC) Limited
Douglas Skeeles Limited
Gorgemead Limited
GSH Mossgate Limited
Kamal & Associates Limited
Lilford Plant Hire Ltd (Formerly Known as Hember Limited)
Lynstock Properties Limited
Magali Limited
Marsh (Bolton) Limited
Maxearn Limited
Makan Investments Limited
Mantle Properties Limited
Medihealth Northern Limited
MWH Healthcare Limited
Pathvalley Limited
Prinwest Limited
Quadrant Pharmaceuticals Limited
Rocket Properties Limited
Swingward Limited
Walkboost Limited
Yorkshire Street Pharmacy Limited

During the year the company purchased goods in the ordinary course of business from companies under common control to the value of £nil (2014 - £415,172). During the year goods were sold to companies under common control to the value of £nil (2014 - £52,471).

Included within trade debtors are amounts owed by companies under common control totalling £nil (2014 - £14,130).

Included within prepayments are amounts owed by companies under common control totalling £nil (2014 - £9,334).

Included within trade creditors are amounts owed to companies under common control totalling £nil (2014 - £34,850).

The company has taken advantage of the exemption offered by FRS 8 to companies, 100% of the voting rights of which are controlled within a larger group, with regard to the disclosure of the transactions within other group companies.