

Shevington JV Ltd

Directors' Report and Unaudited

Financial Statements

Year Ended

31 December 2018

Company Number 07935420



Shevington JV Ltd

Company Information

| | |
|--------------------------|---|
| Directors | Mr Sajid Razaq Shevington Pharma Ltd Dispensing Healthcare Ltd |
| Registered number | 07935420 |
| Registered office | 1 Houghton Lane Shevington Wigan Lancashire WN6 8ET |
| Accountants | BDO LLP 3 Hardman Street Spinningfields Manchester M3 3AT |

Shevington JV Ltd

Contents

| | Page |
|--|---------------|
| Directors' Report | 1 |
| Accountants' Report | 2 |
| Statement of Comprehensive Income | 3 |
| Balance Sheet | 4 - 5 |
| Statement of Changes in Equity | 6 |
| Notes to the Financial Statements | 7 - 13 |

Shevington JV Ltd

**Directors' Report
For the Year Ended 31 December 2018**

The directors present their report and the financial statements for the year ended 31 December 2018.

Principal activity

The principal activity of the company continued to be that of a pharmacy.

Directors

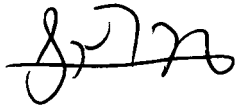
The directors who served during the year were:

Mr Sajid Razaq
Shevington Pharma Ltd
Dispensing Healthcare Ltd

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 19/8/17 and signed on its behalf.



Mr Sajid Razaq
Director

Chartered Accountants' Report to the Board of Directors on the preparation of the Unaudited Financial Statements of Shevington JV Ltd for the Year Ended 31 December 2018

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Shevington JV Ltd for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes from the Company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors of Shevington JV Ltd, as a body, in accordance with the terms of our engagement letter dated 19 August 2019. Our work has been undertaken solely to prepare for your approval the financial statements of Shevington JV Ltd and state those matters that we have agreed to state to the Board of Directors of Shevington JV Ltd, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Shevington JV Ltd and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Shevington JV Ltd has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Shevington JV Ltd. You consider that Shevington JV Ltd is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Shevington JV Ltd. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



BDO LLP

6 September 2019

Chartered Accountants
Manchester
United Kingdom

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Shevington JV Ltd

**Statement of Comprehensive Income
For the Year Ended 31 December 2018**

| | Note | 2018 £ | 2017 £ |
|--------------------------------------|------|----------------|-------------|
| Turnover | | 1,568,254 | 1,631,202 |
| Cost of sales | | (1,367,881) | (1,386,800) |
| Gross profit | | 200,373 | 244,402 |
| Administrative expenses | | (81,965) | (84,341) |
| Operating profit | | 118,408 | 160,061 |
| Interest payable and expenses | | (2,881) | (2,233) |
| Profit before tax | | 115,527 | 157,828 |
| Tax on profit | | (21,052) | (29,791) |
| Profit for the financial year | | 94,475 | 128,037 |

There was no other comprehensive income for 2018 (2017:£NIL).

The notes on pages 7 to 13 form part of these financial statements.

All activities are derived from continuing operations

Shevington JV Ltd
Registered number: 07935420

Balance Sheet
As at 31 December 2018

| | Note | 2018 £ | 2017 £ |
|--|------|-----------------------|-----------------------|
| Fixed assets | | | |
| Tangible assets | 5 | 4,066 | 6,019 |
| | | <u>4,066</u> | <u>6,019</u> |
| Current assets | | | |
| Stocks | 6 | 45,317 | 49,191 |
| Debtors: amounts falling due within one year | 7 | 267,267 | 297,030 |
| Cash at bank and in hand | | 166,063 | 183,461 |
| | | <u>478,647</u> | <u>529,682</u> |
| Creditors: amounts falling due within one year | 8 | (282,763) | (290,917) |
| Net current assets | | <u>195,884</u> | <u>238,765</u> |
| Total assets less current liabilities | | <u>199,950</u> | <u>244,784</u> |
| Provisions for liabilities | | | |
| Deferred tax | 9 | (691) | - |
| | | <u>(691)</u> | <u>-</u> |
| Net assets | | <u><u>199,259</u></u> | <u><u>244,784</u></u> |
| Capital and reserves | | | |
| Called up share capital | | 10 | 10 |
| Profit and loss account | | 199,249 | 244,774 |
| | | <u><u>199,259</u></u> | <u><u>244,784</u></u> |

Shevington JV Ltd
Registered number: 07935420


Balance Sheet (continued)
As at 31 December 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 were approved and authorised for issue by the board and were signed on its behalf on


Mr Sajid Razaq
Director

19/8/19.

The notes on pages 7 to 13 form part of these financial statements.

Shevington JV Ltd

**Statement of Changes in Equity
For the Year Ended 31 December 2018**

| | Called up share capital | Profit and loss account | Total equity |
|--|----------------------------|----------------------------|----------------|
| | £ | £ | £ |
| At 1 January 2018 | 10 | 244,774 | 244,784 |
| Comprehensive income for the year | | | |
| Profit for the year | - | 94,475 | 94,475 |
| | <hr/> | <hr/> | <hr/> |
| Other comprehensive income for the year | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| Total comprehensive income for the year | - | 94,475 | 94,475 |
| Dividends: Equity capital | - | (140,000) | (140,000) |
| | <hr/> | <hr/> | <hr/> |
| Total transactions with owners | - | (140,000) | (140,000) |
| | <hr/> | <hr/> | <hr/> |
| At 31 December 2018 | 10 | 199,249 | 199,259 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

The notes on pages 7 to 13 form part of these financial statements.

**Statement of Changes in Equity
For the Year Ended 31 December 2017**

| | Called up share capital | Profit and loss account | Total equity |
|--|----------------------------|----------------------------|----------------|
| | £ | £ | £ |
| At 1 January 2017 | 10 | 226,737 | 226,747 |
| Comprehensive income for the year | | | |
| Profit for the year | - | 128,037 | 128,037 |
| | <hr/> | <hr/> | <hr/> |
| Other comprehensive income for the year | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| Total comprehensive income for the year | - | 128,037 | 128,037 |
| Dividends: Equity capital | - | (110,000) | (110,000) |
| | <hr/> | <hr/> | <hr/> |
| Total transactions with owners | - | (110,000) | (110,000) |
| | <hr/> | <hr/> | <hr/> |
| At 31 December 2017 | 10 | 244,774 | 244,784 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

The notes on pages 7 to 13 form part of these financial statements.

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

1. General information

Shevington JV Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act. The address of the registered company is given on the contents page and the Company's principal activities are set out in the Directors Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention 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.

All figures in the financial statements are in GBP.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

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.

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

2. Accounting policies (continued)

2.3 Tangible fixed assets

Tangible fixed assets under the cost model 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, using the straight-line method.

Depreciation is provided on the following basis:

| | |
|---------------------|----------------------------|
| Fixtures & fittings | - 20% straight line method |
|---------------------|----------------------------|

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.

2.4 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.

2.5 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.

2.6 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.

2.7 Financial instruments

Financial liabilities and equity are classified according to the substance of the financial instruments contractual obligations, rather than legal form.

The Company's cash at bank and in hand and trade and other debtors and its trade and other creditors are measured initially at the transaction price, including transaction cost, and subsequently at amortised cost using effective interest method. Debt instruments that are payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

2. Accounting policies (continued)

2.8 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using effective interest method.

2.9 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.

2.10 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.

2.11 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.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.12 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.

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

2. Accounting policies (continued)

2.13 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.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgments:

- Determine whether leases entered into by the Company either as a lessor or a lessee are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

4. Employees

The average monthly number of employees, including directors, during the year was 14 (2017 - 15):

Shevington JV Ltd

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

5. Tangible fixed assets

| | Fixtures & fittings £ |
|-------------------------------------|--|
| Cost or valuation | |
| At 1 January 2018 | 9,761 |
| At 31 December 2018 | 9,761 |
| Depreciation | |
| At 1 January 2018 | 3,742 |
| Charge for the year on owned assets | 1,953 |
| At 31 December 2018 | 5,695 |
| Net book value | |
| At 31 December 2018 | 4,066 |
| At 31 December 2017 | 6,019 |

6. Stocks

| | 2018 £ | 2017 £ |
|-------------------------------------|-------------------|-------------------|
| Finished goods and goods for resale | 45,317 | 49,191 |
| | 45,317 | 49,191 |

Shevington JV Ltd

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

7. Debtors

| | 2018 £ | 2017 £ |
|--------------------------------|-----------------------|-----------------------|
| Trade debtors | 232,834 | 256,219 |
| Other debtors | 33,675 | 39,779 |
| Prepayments and accrued income | 758 | 700 |
| Deferred taxation | - | 332 |
| | <u>267,267</u> | <u>297,030</u> |

8. Creditors: Amounts falling due within one year

| | 2018 £ | 2017 £ |
|------------------------------------|-----------------------|-----------------------|
| Trade creditors | 258,739 | 253,151 |
| Corporation tax | 20,029 | 31,718 |
| Other taxation and social security | 74 | 2,299 |
| Other creditors | - | 199 |
| Accruals and deferred income | 3,921 | 3,550 |
| | <u>282,763</u> | <u>290,917</u> |

9. Deferred taxation

| | 2018 £ |
|---------------------------|---------------------|
| At beginning of year | 332 |
| Charged to profit or loss | (1,023) |
| At end of year | <u>(691)</u> |

The deferred taxation balance is made up as follows:

| | 2018 £ | 2017 £ |
|--------------------------------|---------------------|-------------------|
| Accelerated capital allowances | (691) | 332 |
| | <u>(691)</u> | <u>332</u> |

Shevington JV Ltd

Notes to the Financial Statements For the Year Ended 31 December 2018

10. Commitments under operating leases

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

| | 2018 £ | 2017 £ |
|--|----------------|----------------|
| Not later than 1 year | 27,864 | 27,864 |
| Later than 1 year and not later than 5 years | 111,456 | 111,456 |
| Later than 5 years | 390,096 | 417,960 |
| | <u>529,416</u> | <u>557,280</u> |

11. Related party transactions

During the year, rent of £27,864 (2017: £27,864), service charges of £5,064 (2017: £5,064) and management fees of £7,200 (2017: £7,200) were paid to Shevington Pharma Limited, a director of the company. During the year, dividends of £78,000 (2017: £66,000) were paid to Shevington Pharma Limited. Included in trade creditors is a balance of £720 (2017: £6,720) relating to Shevington Pharma Limited.

During the year expenses have been paid on the company's behalf by Dispensing Healthcare Limited and these expenses have been re-charged back.

During the year, management fees of £4,800 (2017: £4,800) were paid to Dispensing Healthcare Limited, a director of the company. During the year, dividends of £48,000 (2017: £44,000) were paid to Dispensing Healthcare Limited. Included in trade creditors is a balance of £4,000 (2017: £4,000) relating to Dispensing Healthcare Limited.

During the year net sales of £8,152 (2017: £10,327) were made to the Houghton Lane Surgery a partnership whose sole partners are directors of Shevington Pharma Limited, a director of the company.

12. Controlling party

The Company is controlled by Shevington Pharma Limited.