



A. & F.A. Dundee Limited

Directors' report and
financial statements

Year ended 31 August 2015

Registered number: NI003932

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A. & F.A. Dundee Limited

Directors' report and financial statements

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A. & F.A. Dundee Limited

Directors and other information

Directors	Michael Guerin Michael Geddis
Secretary	Michael Geddis
Registered office	Medicare House 44 Montgomery Road Belfast BT6 9HL
Auditor	KPMG Chartered Accountants 1 Stokes Place St. Stephen's Green Dublin 2
Bankers	Ulster Bank Limited 11-16 Donegall Square East Belfast BT1 5UB Bank of Ireland 1 Donegall Square South Belfast BT1 5LR
Solicitors	Pinsent Masons Soloist 1 Lanyon Place Belfast BT1 3LP



A. & F.A. Dundee Limited

Strategic report

Principal activities

The principal activities of the business are the operation of a chain of retail pharmacy outlets.

Review of business

The business operates twenty one pharmacies.

The business had a successful year with an increase in the turnover figure from the prior year. The directors expect the general level of activity to continue into the foreseeable future.

There were no significant events subsequent to year end.

Key performance indicators

The company has budgetary and financial reporting procedures, supported by appropriate key performance indicators.

Key performance indicators used by management include sales and expenses.

Principal risks and uncertainties

The principal risks and uncertainties faced by the company are the competition for customers, economic, market and financial risks.

On behalf of the board

Michael Guerin
Director

19th February 2016



A. & F.A. Dundee Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 August 2015.

Profit and dividends

Details of the results for the year are set out in the profit and loss account on page 8 and the related notes. No dividend was paid in the year (2014: £Nil).

Principal activity and business review

The principal activity of the company continued to be that of retail and pharmaceutical chemists.

The directors are satisfied with the performance of the company during the year.

Charitable donations

No charitable donations were made during the year (2014: £Nil). No donations for political purposes were made during the year (2014: £Nil).

Directors and secretary and their interests

The directors and secretary who served during the year and subsequent to the year end are listed on page 1.

The directors and secretary had no interest in the share capital of the company at 31 August 2015 and 31 August 2014. The interests of the directors and secretary, who held office at 31 August 2015 in the share capital of Magir Limited (the ultimate parent company) were as follows:

	2015 No.	2014 No.
<i>Ordinary shares of £0.01 each</i>		
Michael Guerin (including the interests of his spouse)	11,274,292	11,274,292
Michael Geddis	75,029	75,029
	<hr/>	<hr/>

Post balance sheet events

There have been no significant events since 31 August 2015 which affect the company.



A. & F.A. Dundee Limited

Directors' report *(continued)*

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG, Chartered Accountants, will therefore continue in office.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Michael Guerin
Director

19th February 2016



A. & F.A. Dundee Limited

Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements

The directors are responsible for preparing the strategic report, the directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

On behalf of the board

Michael Guerin
Director



KPMG
Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland

Independent auditor's report to the members of A. & F.A. Dundee Limited

We have audited the financial statements of A. & F.A. Dundee Limited for the year ended 31 August 2015 set out on pages 8 to 19 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Opinions and conclusions arising from our audit

1 Our opinion on the financial statements is unmodified

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 profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

2 Our conclusions on other matters on which we are required to report by the Companies Act 2006 are set out below

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.

3 We have nothing to report in respect of matters on which we are required to report by exception

Under ISAs (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

Under the Companies Act 2006 we are required 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in respect of the above responsibilities.



Independent auditor's report to the members of A. & F.A. Dundee Limited

(continued)

Basis of our report, responsibilities and restrictions on use

As explained more fully in the statement of directors' responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2006. Our responsibility is to audit and express an opinion on the financial statements in accordance with UK law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

An audit undertaken in accordance with ISAs (UK & Ireland) 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.

Whilst an audit conducted in accordance with ISAs (UK & Ireland) is designed to provide reasonable assurance of identifying material misstatements or omissions it is not guaranteed to do so. Rather the auditor plans the audit to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements does not exceed materiality for the financial statements as a whole. This testing requires us to conduct significant audit work on a broad range of assets, liabilities, income and expense as well as devoting significant time of the most experienced members of the audit team, in particular the engagement partner responsible for the audit, to subjective areas of the accounting and reporting.

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.

Tom McEvoy (Senior Statutory Auditor)
for and on behalf of KPMG, Statutory Auditor
Chartered Accountants
1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland

19 February 2016




A. & F.A. Dundee Limited

Profit and loss account for the year ended 31 August 2015

	<i>Note</i>	2015 £	2014 £
Turnover	2	27,149,427	26,154,026
Cost of sales		(18,871,612)	(17,986,595)
Gross profit		8,277,815	8,167,431
Distribution costs		(5,355,500)	(5,272,433)
Administration expenses		(57,861)	(54,438)
Other operating income		13,000	13,243
Operating profit		2,877,454	2,853,803
Interest payable and similar charges	4	-	(2,505)
Profit on ordinary activities before taxation		2,877,454	2,851,298
Taxation	7	(819,006)	(385,329)
Profit for the financial year	17/18	2,058,448	2,465,969

All of the turnover and results arise from continuing operations. The company had no recognised gains or losses in the current or preceding financial year other than those shown in the profit and loss account. Accordingly no statement of total recognised gains and losses has been provided.

The accompanying notes form an integral part of these financial statements.


Michael Geddis
Director



A. & F.A. Dundee Limited

Balance sheet as at 31 August 2015

	<i>Note</i>	2015 £	2014 £
Fixed assets			
Tangible assets	8	360,185	479,131
Intangible assets	9	10,094,438	11,105,819
Investments	10	3,553,404	3,553,404
		<hr/>	<hr/>
		14,008,027	15,138,354
Current assets			
Stocks	11	1,872,785	1,961,651
Debtors	12	7,166,252	4,148,979
Cash at bank and in hand		592,953	616,474
		<hr/>	<hr/>
		9,631,990	6,727,104
Creditors: amounts falling due within one year	13	(8,262,736)	(8,214,171)
		<hr/>	<hr/>
Net current assets/(liabilities)		1,369,254	(1,487,067)
		<hr/>	<hr/>
Total assets less current liabilities		15,377,281	13,651,287
Creditors: amounts falling due after more than one year	14	-	(321,384)
Provision for liabilities and charges	15	(90,691)	(101,761)
		<hr/>	<hr/>
Net assets		15,286,590	13,228,142
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	16	445	445
Capital redemption reserve		55	55
Profit and loss account	17	15,286,090	13,227,642
		<hr/>	<hr/>
Shareholders' funds	18	15,286,590	13,228,142
		<hr/>	<hr/>

On behalf of the board

Michael Guerin
Director



A. & F.A. Dundee Limited

Notes

forming part of the financial statements

1 Statement of accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements are prepared in accordance with generally accepted accounting principles under the historical cost convention.

Turnover

Turnover represents net sales to customers and excludes Value Added Tax. Turnover is recognised in the profit and loss account in the period goods are sold to the customer.

Tangible fixed assets and depreciation

Tangible fixed assets are depreciated by annual instalments over their estimated useful lives at the following rates:

Adaptions to premises	-	10% straight line
Freehold property	-	2% straight line
Fixtures, fittings and equipment	-	20% & 15% straight line
Motor vehicles	-	25% reducing balance

Leasing and hire purchase commitments

Assets obtained under hire purchase and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such arrangements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payments is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in the period.

Intangible fixed assets

Purchased goodwill is amortised by equal annual instalments over its estimated useful life of twenty years.

Stocks

Stocks are valued on the first-in, first-out basis at the lower of cost and net realisable value. Cost comprises actual cost less trade discounts. Net realisable value comprises the estimated selling price less appropriate selling costs.

The company operates a defined contribution pension scheme, the assets of which are held independently of the company and administered by independent trustees, for certain employees. The company's contributions are charged against profits in the year which they are made.

A. & F.A. Dundee Limited

Notes (*continued*)

1 Statement of accounting policies (*continued*)

Investments

Fixed asset investments are recorded at the lower of cost less permanent diminution in value.

Current assets investments are at the lower of cost and net realisable value.

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. Provision is made at the rates expected to apply when the timing differences reverse. Timing differences are differences between taxable profits and the 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 when, 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.

Cash flow statement

Under the provisions of Financial Reporting Standards No. 1 *Cash Flow Statements*, a cash flow statement has not been prepared as the company is a wholly owned subsidiary of a company which prepares consolidated financial statements, that include the cash flows of the company.

2 Turnover

Turnover represents sales at invoice value excluding value added tax. All of the company's trading is conducted within the United Kingdom.

A. & F.A. Dundee Limited

Notes (continued)

3 Staff numbers and costs

The average numbers of persons employed by the company (including the directors) during the year was as follows:

	2015 No.	2014 No.
Management and sales	165	158

The aggregate payroll costs of these persons were as follows:

	2015 £	2014 £
Wages and salaries	2,829,465	2,726,601
Director's remuneration	-	-
Social security costs	192,631	187,917
Other pension costs	32,552	25,278
	<u>3,054,648</u>	<u>2,939,796</u>

4 Interest payable and similar charges

	2015 £	2014 £
Other interest	-	2,505

5 Statutory information

	2015 £	2014 £
Auditor's remuneration	10,000	10,000
Amortisation of goodwill	1,011,381	1,011,381
Depreciation	123,798	129,732
Operating leases rentals – land and buildings	418,925	413,085

A. & F.A. Dundee Limited

Notes (continued)

6 Pensions

The company operated a defined contribution scheme in respect of certain employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £32,552 (2014: £25,278).

7 Tax on profit on ordinary activities	2015	2014
(a) Analysis of charge in year	£	£
<i>Current tax charge:</i>		
UK corporation tax on profit for the year	708,922	610,611
Adjustment relating to an earlier period	121,154	(219,417)
	<hr/>	<hr/>
	830,076	391,194
<i>Deferred tax:</i>		
Timing differences, origination and reversal	(11,392)	(6,499)
Effect of changes in tax rate	322	634
	<hr/>	<hr/>
Tax on profit on ordinary activities	<hr/> 819,006	<hr/> 385,329

(b) Factors affecting tax charge for year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	2015	2014
	£	£
Profit on ordinary activities before tax	<hr/> 2,877,454	<hr/> 2,851,298
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.58% (2014: 22.16%)	592,203	631,895
<i>Effects of:</i>		
Expenses not deductible for tax purposes	105,327	90,451
Depreciation for period in excess of capital allowances	11,916	5,702
Group relief claimed	-	(118,234)
Other timing differences	(524)	797
Adjustment in respect of previous periods	121,154	(219,417)
	<hr/>	<hr/>
Current tax charge for the year	<hr/> 830,076	<hr/> 391,194

A. & F.A. Dundee Limited

Notes (continued)

8 Tangible fixed assets

	Additions to premises £	Freehold property £	Fixtures, fittings and equipment £	Total £
<i>Cost</i>				
At 31 August 2014	651,806	74,406	1,935,319	2,661,531
Additions	-	-	4,852	4,852
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2015	651,806	74,406	1,940,171	2,666,383
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 31 August 2014	400,722	60,000	1,721,678	2,182,400
Charge for year	58,765	-	65,033	123,798
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2015	459,487	60,000	1,786,711	2,306,198
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 August 2015	192,319	14,406	153,460	360,185
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2014	251,084	14,406	213,641	479,131
	<hr/>	<hr/>	<hr/>	<hr/>



A. & F.A. Dundee Limited

Notes (continued)

9 Intangible assets	Goodwill
<i>Cost</i>	£
At 31 August 2014 and 31 August 2015	23,958,849
<i>Amortisation</i>	
At 31 August 2014	12,853,030
Amortisation for year	1,011,381
At 31 August 2015	13,864,411
<i>Net book value</i>	
At 31 August 2015	10,094,438
At 31 August 2014	11,105,819
10 Investments	£
Shares in subsidiary undertakings at cost	
At 31 August 2014 and 31 August 2015	3,553,404

The company holds shares in the following subsidiary undertakings:

2,000 ordinary shares of £1 in M.H. Matthews (Northcott) Limited
 3,000 ordinary shares of £1 in Skegoneill Pharmacy Limited
 10,000 ordinary shares of £1 in JV Primrose (Greenisland) Limited
 138,482 ordinary shares of £1 in Primrose Chemists
 874,924 redeemable preference shares of £1 in Primrose Chemists
 100 ordinary shares of £1 in John McConnell (Crumlin) Limited
 50,000 preference shares of £1 in John McConnell (Crumlin) Limited
 £400 of Health store shares

All the above companies are registered in Northern Ireland and are dormant.

11 Stocks	2015	2014
	£	£
Finished goods and goods for re-sale	1,872,785	1,961,651



A. & F.A. Dundee Limited

Notes (continued)

12 Debtors: amounts falling due within one year	2015	2014
	£	£
Trade debtors	1,864,653	1,800,253
Prepayments and accrued income	2,599,202	2,261,008
Amounts owed by group undertakings	2,702,397	87,718
	<hr/>	<hr/>
	7,166,252	4,148,979
	<hr/>	<hr/>
13 Creditors: amounts falling due within one year	2015	2014
	£	£
Trade creditors	1,394,581	1,273,319
Taxation and social security	44,700	44,107
Accruals	175,431	197,031
Amount owed to group undertakings	3,920,354	3,981,531
Amounts owed to related party undertaking	1,821,305	2,043,658
Corporation tax	906,365	674,525
	<hr/>	<hr/>
	8,262,736	8,214,171
	<hr/>	<hr/>
14 Creditors: amounts falling due after more than one year	2015	2014
	£	£
Amounts owed to group undertakings	-	321,384
	<hr/>	<hr/>
	-	321,384
	<hr/>	<hr/>

Security

The bank loans and overdrafts of fellow group undertakings are secured by debentures incorporating fixed and floating charges over the assets of the company and cross guarantees from the company.



A. & F.A. Dundee Limited

Notes (continued)

15 Provision for liabilities and charges	2015	2014
	£	£
Deferred taxation	90,691	101,761
<i>Deferred taxation</i>		
At beginning of year	(101,761)	(107,626)
Credit to profit and loss account	11,070	5,865
At end of year – liability	(90,691)	(101,761)
Deferred taxation has been fully provided in respect of:		
Difference between accumulative depreciation and amortisation and capital allowances	(91,532)	(103,112)
Other timing differences	841	1,351
Deferred tax liability	(90,691)	(101,761)
16 Called up share capital	2015	2014
	£	£
<i>Authorised</i>		
1,000 ordinary shares of £1	1,000	1,000
<i>Allotted, called up and fully paid</i>		
445 ordinary shares of £1 each	445	445
17 Profit and loss account	2015	2014
	£	£
At beginning of year	13,227,642	10,761,673
Profit for the year	2,058,448	2,465,969
At end of year	15,286,090	13,227,642

A. & F.A. Dundee Limited

Notes (continued)

18 Reconciliation of movement in shareholders' funds	2015	2014
	£	£
At beginning of year	13,228,142	10,762,173
Total recognised gains and losses for the year	2,058,448	2,465,969
	<hr/>	<hr/>
At end of year	15,286,590	13,228,142
	<hr/>	<hr/>

19 Control of the company and related party transactions

The immediate parent company is Magir Limited and the ultimate controlling party is Mr M. Guerin. Sangers (Northern Ireland) Limited (including Sangers Distribution), Pemberton Marketing International Limited (including, Pemberton Health & Beauty and Prima Brands), and Masta Limited are wholly owned subsidiaries of UDG Healthcare plc (formerly United Drug plc), which has an interest in Magir Limited. Craig & Hayward Limited was disposed of as a wholly owned subsidiary of United Drug plc in February 2014.

The company entered into transactions with these related parties which resulted in the following amounts being charged to the profit and loss account:

		2015	2014
		£	£
Sangers (Northern Ireland) Limited	Purchases	7,760,238	7,415,640
Sangers Distribution	Purchases	54,481	45,032
Pemberton Health & Beauty	Purchases	3,058	57,221
Masta Limited	Purchases	1,813	-
Craig & Hayward Limited	Purchases	-	23,554
Mr M. Guerin	Rent	-	8,456

Amounts owed to related parties are disclosed in note 13.



A. & F.A. Dundee Limited

Notes (continued)

20 Leasing commitments

At 31 August 2015, the company had annual commitments under non-cancellable operating leases as follows:

Land and buildings

	2015 £	2014 £
Expiring:		
Within one year	-	14,160
Between one and two years	8,500	-
Between two and five years	9,640	11,140
More than five years	400,785	387,785
	<hr/>	<hr/>
	418,925	413,085
	<hr/>	<hr/>

21 Post balance sheet events

There have been no significant events since 31 August 2015 which affect the group or company.

22 Approval of financial statements

The financial statements were approved by the directors on 19 February 2016.