

Company Registration No. SC215322 (Scotland)

MITCHELLS CHEMIST LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020
PAGES FOR FILING WITH REGISTRAR

MITCHELLS CHEMIST LIMITED

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MITCHELLS CHEMIST LIMITED

BALANCE SHEET

AS AT 29 FEBRUARY 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Intangible assets	3		14,975		29,953
Tangible assets	4		143,208		298,697
Investments	5		-		250
			<u>158,183</u>		<u>328,900</u>
Current assets					
Stocks		148,574		179,839	
Debtors	6	1,008,679		412,210	
Cash at bank and in hand		411,490		376,366	
		<u>1,568,743</u>		<u>968,415</u>	
Creditors: amounts falling due within one year	7	(311,090)		(248,740)	
Net current assets			<u>1,257,653</u>		<u>719,675</u>
Total assets less current liabilities			<u>1,415,836</u>		<u>1,048,575</u>
Creditors: amounts falling due after more than one year	8		(100,855)		(145,735)
Provisions for liabilities			-		(14,606)
Net assets			<u><u>1,314,981</u></u>		<u><u>888,234</u></u>
Capital and reserves					
Called up share capital	9		2		2
Profit and loss reserves			<u>1,314,979</u>		<u>888,232</u>
Total equity			<u><u>1,314,981</u></u>		<u><u>888,234</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

MITCHELLS CHEMIST LIMITED

BALANCE SHEET (CONTINUED)

AS AT 29 FEBRUARY 2020

For the financial year ended 29 February 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the board of directors and authorised for issue on 12 January 2021 and are signed on its behalf by:

G Dixon
Director

L Dixon
Director

Company Registration No. SC215322

MITCHELLS CHEMIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 FEBRUARY 2020

1 Accounting policies

Company information

Mitchells Chemist Limited is a private company limited by shares incorporated in Scotland. The registered office and business address is High Street, Dornoch, IV25 3SH.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover represents amounts receivable from the sale of products from a dispensing chemist and retail pharmacy, net of VAT.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.3 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 20 years.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Tenant's additions	- straight line over term of the lease
Land and buildings Leasehold	- 2% straight line
Plant and machinery	- 10% straight line
Fixtures, fittings & equipment	- 16.67% straight line
Motor vehicles	- 25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

MITCHELLS CHEMIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2020

1 Accounting policies

(Continued)

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises purchase price.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are measured at transaction price including transaction costs. Basic financial assets are assessed for indicators of impairment at each financial reporting date with any resulting impairment recognised through profit or loss.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors are recognised at transaction price.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

MITCHELLS CHEMIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2020

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 12 (2019 - 13).

MITCHELLS CHEMIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2020

3 Intangible fixed assets

	Goodwill £
Cost	
At 1 March 2019 and 29 February 2020	299,569
Amortisation and impairment	
At 1 March 2019	269,616
Amortisation charged for the year	14,978
At 29 February 2020	284,594
Carrying amount	
At 29 February 2020	14,975
At 28 February 2019	29,953

4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total £
Cost	£	£	£
At 1 March 2019	424,550	304,606	729,156
Additions	-	416	416
Disposals	(135,172)	(38,535)	(173,707)
At 29 February 2020	289,378	266,487	555,865
Depreciation and impairment			
At 1 March 2019	254,065	176,394	430,459
Depreciation charged in the year	12,709	19,922	32,631
Eliminated in respect of disposals	(18,320)	(32,113)	(50,433)
At 29 February 2020	248,454	164,203	412,657
Carrying amount			
At 29 February 2020	40,924	102,284	143,208
At 28 February 2019	170,485	128,212	298,697

5 Fixed asset investments

	2020 £	2019 £
Investments	-	250

MITCHELLS CHEMIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2020

5	Fixed asset investments	(Continued)	
	Movements in fixed asset investments		Investments other than loans
			£
	Cost		
	At 1 March 2019		250
	Disposals		(250)
			<hr/>
	At 29 February 2020		-
			<hr/>
	Carrying amount		
	At 29 February 2020		-
			<hr/>
	At 28 February 2019		250
			<hr/>
6	Debtors	2020	2019
		£	£
	Amounts falling due within one year:		
	Trade debtors	117,049	100,898
	Amounts owed by group undertakings	856,254	285,914
	Other debtors	35,376	25,398
		<hr/>	<hr/>
		1,008,679	412,210
		<hr/>	<hr/>
7	Creditors: amounts falling due within one year	2020	2019
		£	£
	Trade creditors	163,499	194,090
	Corporation tax	115,288	39,756
	Other taxation and social security	513	7,788
	Other creditors	31,790	7,106
		<hr/>	<hr/>
		311,090	248,740
		<hr/>	<hr/>
8	Creditors: amounts falling due after more than one year	2020	2019
		£	£
	Other creditors	100,855	145,735
		<hr/>	<hr/>

MITCHELLS CHEMIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2020

9 Called up share capital

	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
2 Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

10 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2020	2019
	£	£
	58,333	83,333
	<u>58,333</u>	<u>83,333</u>

11 Related party transactions

The following amounts were outstanding at the reporting end date:

	2020	2019
	£	£
Amounts due from related parties		
Entities with control, joint control or significant influence over the company	856,254	285,914
	<u>856,254</u>	<u>285,914</u>

12 Parent company

The parent and ultimate parent company is Dornoch Pharmacy Limited. The registered office is High Street, Dornoch, IV25 3SH.

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.