



Alexander Sloan  
Accountants and Business Advisers

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**Abbey Chemists Ltd**  
**Annual Report and Unaudited Financial Statements**  
**Year Ended 30 June 2017**  
**Registration number: SC323221**

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# **Abbey Chemists Ltd**

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# **Abbey Chemists Ltd**

## **Company Information**

**Directors** Mr Asgher Mohammed  
Mr Siraj Mohammed  
Mrs Farzana Mohammed  
Mr Imran Mohammed

**Company secretary** Mr Asgher Mohammed

**Registered office** C/o Alexander Sloan  
Chartered Accountants  
38 Cadogan Street  
Glasgow  
G2 7HF

**Bankers** Bank Of Scotland  
110 St Vincent Street  
Glasgow  
G2 5EJ

**Accountants** Alexander Sloan  
38 Cadogan Street  
Glasgow  
G2 7HF

# Abbey Chemists Ltd

**(Registration number: SC323221)**  
**Balance Sheet as at 30 June 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Intangible assets	4	3,311,976	3,499,476
Tangible assets	5	<u>54,991</u>	<u>41,260</u>
		<u>3,366,967</u>	<u>3,540,736</u>
<b>Current assets</b>			
Stocks	6	189,675	143,629
Debtors	7	441,807	428,909
Cash at bank and in hand		<u>538,414</u>	<u>331,212</u>
		1,169,896	903,750
<b>Creditors: Amounts falling due within one year</b>	8	<u>(579,274)</u>	<u>(518,984)</u>
<b>Net current assets</b>		<u>590,622</u>	<u>384,766</u>
<b>Total assets less current liabilities</b>		3,957,589	3,925,502
<b>Provisions for liabilities</b>		<u>(7,122)</u>	<u>(7,122)</u>
<b>Net assets</b>		<u>3,950,467</u>	<u>3,918,380</u>
<b>Capital and reserves</b>			
Called up share capital		501	501
Share premium reserve		123,681	123,681
Profit and loss account		<u>3,826,285</u>	<u>3,794,198</u>
<b>Total equity</b>		<u>3,950,467</u>	<u>3,918,380</u>

**Abbey Chemists Ltd**  
**(Registration number: SC323221)**  
**Balance Sheet as at 30 June 2017**

For the financial year ending 30 June 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

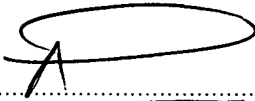
**Directors' responsibilities:**

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 13 October 2017 and signed on its behalf by:



.....  
Mr Asgher Mohammed

Company secretary and director

# Abbey Chemists Ltd

## Notes to the Financial Statements for the Year Ended 30 June 2017

### 1 General information

The company is a private company limited by share capital incorporated in Scotland.

The address of its registered office is:

C/o Alexander Sloan  
Chartered Accountants  
38 Cadogan Street  
Glasgow  
G2 7HF

These financial statements were authorised for issue by the Board on 13 October 2017.

### 2 Accounting policies

#### Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

#### Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

#### Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Short leasehold property	Straight line over the life of the lease
Plant and machinery	25% straight line
Fixtures, fittings and equipment	25% reducing balance

#### Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

## Abbey Chemists Ltd

### Notes to the Financial Statements for the Year Ended 30 June 2017

#### Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	24 years

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

#### Stocks

Stocks are stated at the lower of cost and net realisable value.

#### Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

#### Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

## Abbey Chemists Ltd

### Notes to the Financial Statements for the Year Ended 30 June 2017

#### Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

#### 3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 34 (2016 - 37).

#### 4 Intangible assets

	Goodwill £	Total £
<b>Cost or valuation</b>		
At 1 July 2016	<u>4,436,976</u>	<u>4,436,976</u>
At 30 June 2017	<u>4,436,976</u>	<u>4,436,976</u>
<b>Amortisation</b>		
At 1 July 2016	937,500	937,500
Amortisation charge	<u>187,500</u>	<u>187,500</u>
At 30 June 2017	<u>1,125,000</u>	<u>1,125,000</u>
<b>Carrying amount</b>		
At 30 June 2017	<u>3,311,976</u>	<u>3,311,976</u>
At 30 June 2016	<u>3,499,476</u>	<u>3,499,476</u>

The estimated useful life is deemed to be 27 years from date of acquisition, being 1 July 2008. The grounds for rebutting the ordinary 10 year useful life presumption (under FRS102) are that durability of the business can be demonstrated as a result of the nature of the business, the stability of the highly regulated pharmacy industry, the infinite lifespan for the service which a pharmacy business provides, and the plans of the owner to transfer the business down through this "Family Office" ensuring succession in years ahead.

Amortisation of goodwill commenced in 2012 over the remaining useful life of the asset. No amortisation was charged in earlier years due to the calculated "value in use" (discounted cashflows) being higher than the carrying value of goodwill.



**Abbey Chemists Ltd**

**Notes to the Financial Statements for the Year Ended 30 June 2017**

**5 Tangible assets**

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Plant and equipment £	Total £
<b>Cost or valuation</b>					
At 1 July 2016	148,786	382	-	25,504	174,672
Additions	-	17,472	19,405	-	36,877
At 30 June 2017	148,786	17,854	19,405	25,504	211,549
<b>Depreciation</b>					
At 1 July 2016	119,704	17,567	-	13,611	150,882
Charge for the year	3,182	192	-	2,302	5,676
At 30 June 2017	122,886	17,759	-	15,913	156,558
<b>Carrying amount</b>					
At 30 June 2017	25,900	95	19,405	9,591	54,991
At 30 June 2016	29,081	286	-	11,893	41,260

Included within the net book value of land and buildings above is £25,900 (2016 - £29,082) in respect of short leasehold land and buildings.

## Abbey Chemists Ltd

### Notes to the Financial Statements for the Year Ended 30 June 2017

#### 6 Stocks

	2017 £	2016 £
Stocks	<u>189,675</u>	<u>143,629</u>

#### 7 Debtors

	Note	2017 £	2016 £
Trade debtors		357,472	328,356
Amounts owed by group undertakings and undertakings in which the company has a participating interest	10	2,136	2,366
Other debtors		<u>82,199</u>	<u>98,187</u>
Total current trade and other debtors		<u>441,807</u>	<u>428,909</u>

#### 8 Creditors

	Note	2017 £	2016 £
<b>Due within one year</b>			
Trade creditors		402,016	374,486
Taxation and social security		-	12,407
Other creditors		<u>177,258</u>	<u>132,091</u>
		<u>579,274</u>	<u>518,984</u>

## Abbey Chemists Ltd

### Notes to the Financial Statements for the Year Ended 30 June 2017

#### 9 Dividends

##### Final dividends paid

	2017 £	2016 £
Final dividend of £0 per each Prior year final dividend paid share	<u>100,100</u>	<u>90,000</u>

#### 10 Related party transactions

##### Transactions with directors

##### 2016

##### Directors' remuneration

The directors' remuneration for the year was as follows:

	2017 £	2016 £
Remuneration	107,000	103,060
Contributions paid to money purchase schemes	<u>45,000</u>	<u>122,258</u>
	<u>152,000</u>	<u>225,318</u>

##### Other transactions with directors

During the year, Mrs F. Mohammed, director, was paid £24,000 (2016 - £24,000) by Abbey Chemists for rent of a property.