

Company Registration No. 00372591 (England and Wales)

WESSEX PHARMACIES LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019
PAGES FOR FILING WITH REGISTRAR

WESSEX PHARMACIES LIMITED

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WESSEX PHARMACIES LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Intangible assets	3		981,629		119,799
Tangible assets	4		91,278		103,773
Investment properties	5		329,247		324,097
			<u>1,402,154</u>		<u>547,669</u>
Current assets					
Stocks		286,905		252,882	
Debtors	6	952,968		910,701	
Cash at bank and in hand		8,037		10,903	
			<u>1,247,910</u>		<u>1,174,486</u>
Creditors: amounts falling due within one year	7	<u>(1,361,379)</u>		<u>(1,062,489)</u>	
Net current (liabilities)/assets			<u>(113,469)</u>		<u>111,997</u>
Total assets less current liabilities			<u>1,288,685</u>		<u>659,666</u>
Creditors: amounts falling due after more than one year	8		(759,070)		(27,381)
Provisions for liabilities			(28,950)		(44,300)
Net assets			<u><u>500,665</u></u>		<u><u>587,985</u></u>
Capital and reserves					
Called up share capital	9		954		954
Profit and loss reserves			499,711		587,031
Total equity			<u><u>500,665</u></u>		<u><u>587,985</u></u>

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

For the financial year ended 30 September 2019 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 member has 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.

WESSEX PHARMACIES LIMITED

BALANCE SHEET (CONTINUED)

AS AT 30 SEPTEMBER 2019

The financial statements were approved by the board of directors and authorised for issue on 12 June 2020 and are signed on its behalf by:

Mr R D Mitchell, BSc (Hons)
Director

Company Registration No. 00372591

WESSEX PHARMACIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

Company information

Wessex Pharmacies Limited is a private company limited by shares incorporated in England and Wales. The registered office is The Corner House, 1 Broad Street, Alresford, Hampshire, SO24 9AR.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Income is recognised when ownership of goods is transferred or when services are performed.

1.3 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business 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 of 30 years. The residual value of the goodwill is estimated to be at least as much as the current carrying value and therefore any amortisation would be immaterial. Goodwill is reviewed annually for impairment.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably.

Amortisation 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:

Licence fees	25% on cost
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1.5 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.

WESSEX PHARMACIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

(Continued)

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:

Plant and machinery	10% on cost
Fixtures, fittings & equipment	10% to 33.33% on cost
Motor vehicles	25% on cost

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.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

1.7 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

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.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 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.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

WESSEX PHARMACIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.11 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.

1.12 Taxation

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

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.

WESSEX PHARMACIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 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.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

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

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 48 (2018 - 43).

WESSEX PHARMACIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

3 Intangible fixed assets

	Goodwill	Other	Total
	£	£	£
Cost			
At 1 October 2018	115,867	4,840	120,707
Additions	861,238	2,075	863,313
At 30 September 2019	<u>977,105</u>	<u>6,915</u>	<u>984,020</u>
Amortisation and impairment			
At 1 October 2018	-	908	908
Amortisation charged for the year	-	1,483	1,483
At 30 September 2019	<u>-</u>	<u>2,391</u>	<u>2,391</u>
Carrying amount			
At 30 September 2019	<u>977,105</u>	<u>4,524</u>	<u>981,629</u>
At 30 September 2018	<u>115,867</u>	<u>3,932</u>	<u>119,799</u>

4 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 October 2018	251,060
Additions	13,483
Disposals	(27,026)
At 30 September 2019	<u>237,517</u>
Depreciation and impairment	
At 1 October 2018	147,287
Depreciation charged in the year	25,822
Eliminated in respect of disposals	(26,870)
At 30 September 2019	<u>146,239</u>
Carrying amount	
At 30 September 2019	<u>91,278</u>
At 30 September 2018	<u>103,773</u>

WESSEX PHARMACIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

5 Investment property

	2019
	£
Fair value	
At 1 October 2018	324,097
Additions	5,150
	<hr/>
At 30 September 2019	<u>329,247</u>

The valuations of investment properties were made as at 30 September 2019 by the directors on an open market basis. No depreciation is provided in respect of these properties.

On an historical cost basis these would have been included at an original cost of £329,247 (2018: £324,097), and aggregate depreciation of £Nil (2018: £Nil).

6 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	683,520	613,915
Other debtors	231,455	254,451
Prepayments and accrued income	37,993	42,335
	<hr/>	<hr/>
	<u>952,968</u>	<u>910,701</u>

7 Creditors: amounts falling due within one year

	2019	2018
	£	£
Bank loans and overdrafts	184,510	-
Obligations under finance leases	-	3,419
Trade creditors	734,327	650,322
Taxation and social security	7,219	8,738
Other creditors	404,561	371,733
Accruals and deferred income	30,762	28,277
	<hr/>	<hr/>
	<u>1,361,379</u>	<u>1,062,489</u>

The invoice discounting account included within other creditors of £260,622 (2018: £227,513) is secured by an all assets debenture.

Net obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned.

Bank borrowings are secured by a legal mortgage over leasehold properties and a fixed and floating charge over all assets of the company.

WESSEX PHARMACIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

8 Creditors: amounts falling due after more than one year

	Notes	2019 £	2018 £
Bank loans and overdrafts		739,918	-
Obligations under finance leases		-	6,358
Other borrowings		19,152	21,023
		<u>759,070</u>	<u>27,381</u>

Net obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned.

Bank borrowings are secured by a legal mortgage over leasehold properties and a fixed and floating charge over all assets of the company.

9 Called up share capital

	2019 £	2018 £
Ordinary share capital Issued and fully paid		
954 Ordinary shares of £1 each	954	954
	<u>954</u>	<u>954</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:

	2019 £	2018 £
Within one year	54,418	53,565
Between two and five years	82,152	115,366
In over five years	28,000	36,000
	<u>164,570</u>	<u>204,931</u>

