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**TAYZANA LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2018**

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**TAYZANA LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	Mr T Mohamedbhai Miss H Patel Mr J C Patel Jnr
<b>Company secretary</b>	Mr A R Patel
<b>Registered number</b>	02022221
<b>Registered office</b>	2 Peterwood Way Croydon Surrey CR0 4UQ
<b>Independent auditor</b>	KPMG LLP, Statutory Auditor Chartered Accountant 1 Forest Gate Brighton Road Crawley RH11 9PT

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**TAYZANA LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2018**

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The Directors present their report and the financial statements for the year ended 31 March 2018.

**Principal activity**

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

**Directors' responsibilities statement**

The Directors are responsible for preparing 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), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

**Directors**

The Directors who served during the year were:

Mr T Mohamedbhai  
Miss H Patel  
Mr J C Patel Jnr

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**TAYZANA LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2018**

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**Disclosure of information to auditor**

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Auditor**

The auditor, KPMG LLP, Statutory Auditor, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**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 and signed on its behalf.

**Mr J C Patel Jnr**

Director

Date: 27 September 2018

2 Peterwood Way  
Croydon  
Surrey  
CR0 4UQ

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAYZANA LIMITED**

### **Opinion**

We have audited the financial statements of Tayzana Limited ("the Company") for the year ended 31 March 2018, which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

### **Directors' report**

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAYZANA LIMITED (CONTINUED)**

**Matters on which we are required to report by exception**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAYZANA LIMITED (CONTINUED)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAYZANA LIMITED (CONTINUED)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAYZANA LIMITED (CONTINUED)**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAYZANA LIMITED (CONTINUED)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAYZANA LIMITED (CONTINUED)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAYZANA LIMITED (CONTINUED)**

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAYZANA LIMITED (CONTINUED)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAYZANA LIMITED (CONTINUED)**

· the financial statements are not in agreement with the accounting records and returns; or

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAYZANA LIMITED (CONTINUED)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAYZANA LIMITED (CONTINUED)**

· certain disclosures of directors' remuneration specified by law are not made; or

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAYZANA LIMITED (CONTINUED)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAYZANA LIMITED (CONTINUED)**

· we have not received all the information and explanations we require for our audit; or

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAYZANA LIMITED (CONTINUED)

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 these respects.

### Directors' responsibilities

As explained more fully in their statement set out on page 1, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### The purpose of our audit work and to whom we owe our responsibilities

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.

Timothy Rush (Senior Statutory Auditor)

for and on behalf of  
**KPMG LLP, Statutory Auditor**

Chartered Accountant

1 Forest Gate  
Brighton Road  
Crawley  
RH11 9PT

27 September 2018

**TAYZANA LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2018**

	Note	2018 £000	2017 £000
Turnover	4	5,287	5,006
Cost of sales		(3,664)	(3,369)
<b>Gross profit</b>		<b>1,623</b>	<b>1,637</b>
Administration Expenses		(1,619)	(1,402)
Other operating income	5	22	17
<b>Operating profit</b>	6	<b>26</b>	<b>252</b>
Interest payable and similar expenses	9	(3)	(2)
<b>Profit before tax</b>		<b>23</b>	<b>250</b>
Tax on profit		(8)	(55)
<b>Profit for the financial year</b>		<b>15</b>	<b>195</b>

There were no recognised gains and losses for 2018 or 2017 other than those included in the profit and loss account.

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2018**

	Note	2018 £000	2017 £000
Profit for the financial year		15	195
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>15</b>	<b>195</b>

The notes on pages 21 to 37 form part of these financial statements.

**TAYZANA LIMITED**  
**REGISTERED NUMBER: 02022221**

**BALANCE SHEET**  
**AS AT 31 MARCH 2018**

	<b>Note</b>	<b>2018</b> <b>£000</b>	<b>2017</b> <b>£000</b>
<b>Fixed assets</b>			
Intangible assets	12	1,312	1,326
Tangible assets	13	543	575
		<u>1,855</u>	<u>1,901</u>
<b>Current assets</b>			
Stocks	14	312	273
Debtors: amounts falling due within one year	15	1,362	1,255
Cash at bank and in hand	16	25	10
		<u>1,699</u>	<u>1,538</u>
Creditors: amounts falling due within one year	17	(2,822)	(2,520)
<b>Net current liabilities</b>		<u>(1,123)</u>	<u>(982)</u>
<b>Total assets less current liabilities</b>		<u>732</u>	<u>919</u>
<b>Provisions for liabilities</b>			
Deferred tax	19	(37)	(35)
<b>Net assets</b>		<u><u>695</u></u>	<u><u>884</u></u>
<b>Capital and reserves</b>			
Called up share capital	20	-	-
Profit and loss account	21	695	884
		<u><u>695</u></u>	<u><u>884</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

**Mr J C Patel Jnr**  
Director

Date: 27 September 2018

The notes on pages 21 to 37 form part of these financial statements.

TAYZANA LIMITED

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2018**

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 April 2017	-	884	884
<b>Comprehensive income for the year</b>			
Profit for the year	-	15	15
<b>Total comprehensive income for the year</b>	-	15	15
Dividends: Equity capital	-	(204)	(204)
<b>Total transactions with owners</b>	-	(204)	(204)
<b>At 31 March 2018</b>	-	695	695

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2017**

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 April 2016	-	893	893
<b>Comprehensive income for the year</b>			
Profit for the year	-	195	195
<b>Total comprehensive income for the year</b>	-	195	195
Dividends: Equity capital	-	(204)	(204)
<b>Total transactions with owners</b>	-	(204)	(204)
<b>At 31 March 2017</b>	-	884	884

The notes on pages 21 to 37 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**1. General information**

Tayzana Limited (the "Company") is a private company limited by shares and incorporated, domiciled and registered in England in the United Kingdom. The address of the registered office is given on company information page. The nature of the company's operations and its principal activities are set out in the director's report on pages 1 to 2.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The functional currency of Tayzana Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The financial statements are also presented in pounds sterling and rounded to nearest £'000.

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 accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23.

This information is included in the consolidated financial statements of Day Lewis Plc as at 31 March 2018 and these financial statements may be obtained from 2 Peterwood Way, Croydon, Surrey, CR0 4UQ.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**2. Accounting policies (continued)**

**2.3 Going concern**

The financial statements have been prepared on a going concern basis as the parent undertaking, Day Lewis PLC, has formally indicated its intention to continue to provide financial support to the Company to meet its obligations as they fall due for the foreseeable future, and for a period of at least 12 months from the date of approval of these financial statements. The directors have no reason to believe that the parent company will not be in a position to provide the support referred to above and, accordingly, they have prepared the financial statements on a going concern basis.

**2.4 Turnover**

Turnover comprises revenue recognised by the Company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

**2.5 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Retail pharmacy licence	-	100	years
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**2.6 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.

Depreciation is provided on the following basis:

Leasehold Property	- over the period of the lease
Fixtures, fittings and equipment	- 15% reducing balance

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 Profit and Loss Account.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**2. Accounting policies (continued)**

**2.7 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Profit and Loss Account 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.

**2.8 Operating leases: the Company as lessor**

Rentals income from operating leases is credited to the Profit and Loss Account on a straight line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

**2.9 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.

**2.10 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.

**2.11 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**2. Accounting policies (continued)**

**2.12 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Profit and Loss Account if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**2. Accounting policies (continued)**

**2.13 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.14 Finance costs**

Finance costs are charged to the Profit and Loss Account 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.

**2.15 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.

**2.16 Borrowing costs**

All borrowing costs are recognised in the Profit and Loss Account in the year in which they are incurred.

**2.17 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 Profit and Loss Account 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 MARCH 2018**

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**2. Accounting policies (continued)**

**2.18 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Critical judgements in applying the company's accounting policies**

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

**Key source of estimation uncertainty - impairment of retail pharmacy licences**

Determining whether retail pharmacy license is impaired requires an estimation of the value in use of the cash-generating units to which retail pharmacy license has been allocated. The carrying amount of retail pharmacy license at the balance sheet date was £1.3m (2017: £1.3m) after an impairment loss of £nil was recognised during the year 2018 (2017: £nil).

**Key source of estimation uncertainty - useful life of retail pharmacy licences**

The directors believe that the right for dispensing UK NHS prescriptions, being the pharmacy licence which is attached to a particular pharmacy, has a continuing value. Such rights, conferred by the Department of Health as contracts to dispense prescriptions, are not generally granted to new pharmacies in the same locality. Consequently the Directors consider that the value of retail pharmacy licences have a long life of 100 years and therefore are amortised over that period.

**4. Turnover**

The whole of the turnover is attributable to be that of retail pharmacy.

Analysis of turnover by country of destination:

	<b>2018</b>	<i>2017</i>
	<b>£000</b>	<i>£000</i>
United Kingdom	<b>5,287</b>	<i>5,006</i>
	<b><u>5,287</u></b>	<i><u>5,006</u></i>

**TAYZANA LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**5. Other operating income**

	<b>2018</b>	<i>2017</i>
	<b>£000</b>	<i>£000</i>
Net rents receivable	<b>22</b>	<i>17</i>
	<u><b>22</b></u>	<u><i>17</i></u>

**6. Operating profit**

The operating profit is stated after charging:

	<b>2018</b>	<i>2017</i>
	<b>£000</b>	<i>£000</i>
Depreciation of tangible fixed assets	<b>62</b>	<i>49</i>
Amortisation of intangible assets, including goodwill	<b>14</b>	<i>14</i>
Other operating lease rentals	<u><b>154</b></u>	<u><i>120</i></u>

**7. Auditor's remuneration**

	<b>2018</b>	<i>2017</i>
	<b>£000</b>	<i>£000</i>
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u><b>-</b></u>	<u><i>2,000</i></u>

The audit fee was borne by the parent company Day Lewis Plc for the year ended 31 March 2018.

**8. Employees**

The average monthly number of employees, including the Directors, during the year was as follows:

	<b>2018</b>	<i>2017</i>
	<b>No.</b>	<i>No.</i>
Distribution and sales	<b>24</b>	<i>23</i>
Administrative and pharmacists	<b>6</b>	<i>6</i>
	<u><b>30</b></u>	<u><i>29</i></u>

TAYZANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

9. Interest payable and similar expenses

	2018 £000	2017 £000
Bank interest payable	3	2
	<u>3</u>	<u>2</u>

10. Taxation

	2018 £000	2017 £000
<b>Corporation tax</b>		
Current tax on profits for the year	6	51
	<u>6</u>	<u>51</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	2	6
Changes to tax rates	-	(2)
	<u>2</u>	<u>4</u>
<b>Total deferred tax</b>	<u>2</u>	<u>4</u>
	<u>8</u>	<u>55</u>
<b>Taxation on profit on ordinary activities</b>	<u>8</u>	<u>55</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**10. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2017 - *higher than*) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	<b>2018</b>	<i>2017</i>
	<b>£000</b>	<i>£000</i>
Profit on ordinary activities before tax	<u><b>23</b></u>	<u><i>250</i></u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	<b>4</b>	<i>50</i>
<b>Effects of:</b>		
Non-tax deductible amortisation of goodwill and impairment	<b>1</b>	<i>1</i>
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	<b>3</b>	<i>-</i>
Tax rate changes	<b>-</b>	<i>(2)</i>
Other tax adjustments	<b>-</b>	<i>6</i>
<b>Total tax charge for the year</b>	<u><b>8</b></u>	<u><i>55</i></u>

**Factors that may affect future tax charges**

Reductions in the UK corporation tax rate from 19% to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. A further reduction to the UK corporation tax rate was announced in the 2016 Budget to further reduce the tax rate to 17% from 18% (to be effective from 1 April 2020). This will reduce the company's future current tax charge accordingly.

The deferred tax liability at the balance sheet date has been calculated based on the rate of 17% substantively enacted at the balance sheet date.

**11. Dividends**

	<b>2018</b>	<i>2017</i>
	<b>£000</b>	<i>£000</i>
Dividends paid	<b>204</b>	<i>204</i>
	<u><b>204</b></u>	<u><i>204</i></u>

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

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## 12. Intangible assets

	Retail pharmacy licences £000
<b>Cost</b>	
At 1 April 2017	1,364
At 31 March 2018	<u>1,364</u>
<b>Amortisation</b>	
At 1 April 2017	38
Charge for the year	14
At 31 March 2018	<u>52</u>
<b>Net book value</b>	
At 31 March 2018	<u><u>1,312</u></u>
<i>At 31 March 2017</i>	<u><u>1,326</u></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**13. Tangible fixed assets**

	Leasehold Property £000	Fixtures and fittings £000	Total £000
<b>Cost or valuation</b>			
At 1 April 2017	359	592	951
Additions	-	30	30
At 31 March 2018	359	622	981
<b>Depreciation</b>			
At 1 April 2017	9	367	376
Charge for the year on owned assets	24	38	62
At 31 March 2018	33	405	438
<b>Net book value</b>			
At 31 March 2018	326	217	543
<b>At 31 March 2017</b>	350	225	575

The net book value of land and buildings may be further analysed as follows:

	2018 £000	2017 £000
Short leasehold	325	350
	325	350

**TAYZANA LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**14. Stocks**

	<b>2018</b>	<i>2017</i>
	<b>£000</b>	<i>£000</i>
Finished goods and goods for resale	<b>312</b>	<i>273</i>
	<u><b>312</b></u>	<u><i>273</i></u>

Stock recognised in cost of sales during the year as an expense was £4,061k (2017 - £3,369k) .

An impairment loss of £nil (2017 - £nil) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

**15. Debtors**

	<b>2018</b>	<i>2017</i>
	<b>£000</b>	<i>£000</i>
Trade debtors	<b>374</b>	<i>398</i>
Amounts owed by group undertakings	<b>798</b>	<i>625</i>
Other debtors	<b>153</b>	<i>200</i>
Prepayments and accrued income	<b>37</b>	<i>32</i>
	<u><b>1,362</b></u>	<u><i>1,255</i></u>

**16. Cash and cash equivalents**

	<b>2018</b>	<i>2017</i>
	<b>£000</b>	<i>£000</i>
Cash at bank and in hand	<b>25</b>	<i>10</i>
Less: bank overdrafts	<b>(430)</b>	<i>(1,411)</i>
	<u><b>(405)</b></u>	<u><i>(1,401)</i></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**17. Creditors: Amounts falling due within one year**

	2018 £000	2017 £000
Bank overdrafts	430	1,411
Trade creditors	658	646
Amounts owed to group undertakings	1,600	358
Other creditors	44	75
Accruals and deferred income	90	30
	<u>2,822</u>	<u>2,520</u>

**18. Financial instruments**

	2018 £000	2017 £000
<b>Financial assets</b>		
Financial assets measured at fair value	25	10
Financial assets measured at amortised cost	1,325	1,223
	<u>1,350</u>	<u>1,233</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(2,822)</u>	<u>(2,520)</u>

**19. Deferred taxation**

	2018 £000	2017 £000
At beginning of year	(35)	(31)
Charged to profit or loss	(2)	(4)
<b>At end of year</b>	<u>(37)</u>	<u>(35)</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**19. Deferred taxation (continued)**

The provision for deferred taxation is made up as follows:

	<b>2018</b>	<i>2017</i>
	<b>£000</b>	<i>£000</i>
Accelerated capital allowances	(5)	(6)
Deferred tax on retail pharmacy licences	(32)	(29)
	<u>(37)</u>	<u>(35)</u>

**20. Share capital**

	<b>2018</b>	<i>2017</i>
	<b>£</b>	<i>£</i>
<b>Allotted, called up and fully paid</b>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

**21. Reserves****Profit and loss account**

The profit and loss reserve represents cumulative profits or losses, including dividends paid and other adjustments.

**22. Contingent liabilities**

The company is a party to intra-group cross guarantees in respect of bank borrowing within the group.

- Unlimited inter-company guarantees supported by legal charges over various properties and other respective associated assets.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**23. Commitments under operating leases**

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

	<b>2018</b>	<i>2017</i>
	<b>£000</b>	<i>£000</i>
Ending not later than 1 year	<b>130</b>	<i>103</i>
Ending later than 1 year and not later than 5 years	<b>394</b>	<i>324</i>
Ending later than 5 years	<b>2,999</b>	<i>2,698</i>
	<b><u>3,523</u></b>	<i><u>3,125</u></i>

**24. Related party transactions**

During the year the company made purchases totalling £1,474,194 (2017: £1,487,662) from and made sales totalling £413,149 (2017: £267,720) to Day Lewis Medical Limited, a fellow subsidiary of the company's parent company Day Lewis Plc. As at 31 March 2018 the company owed £1,286,303 (2017: £164,432) to Day Lewis Medical Limited.

£2,611,246 (2017: £1,666,536) worth of expenses paid by the Day Lewis Plc, a parent company on behalf of the company. The company recharged £39,952 (2017: £907,811) worth of expenses paid on behalf of the Day Lewis Plc. As at 31 March 2018 the company owed £597,871 (2017: £193,281 owed to) by Day Lewis Plc.

The company recharged £119,241 (2017: £29,408) worth of expenses paid on behalf of ABC Drug Stores Limited, a fellow subsidiary of the company's parent company Day Lewis Plc. £44,429 (2017: £129,458) worth of expenses paid by ABC Drug Stores Limited on behalf of the company. As at 31 March 2018 ABC Drug Stores Limited owed £793,109 (2017: £623,002 owed to) by the company.

During the year, the company purchased goods totalling £nil (2017: £1,279) from Swingward Limited. The executors of the Kirit Patel Estate has material interest in the company. At the year end the balance outstanding to Swingward Limited was £nil (2017: £nil).

During the year, the company purchased goods totalling £6,235 (2017: £nil) from Eaststone Limited. The executors of the Kirit Patel Estate has material interest in the company. At the year end the balance outstanding to Eaststone Limited was £262 (2017: £nil).

Rent of £22,800 (2017: £22,800) was paid in respect of a property occupied by the company in which the directors Mr J C Patel and Mr T Mohamadbhai have a material interest. As at 31 March 2018 the company owed £nil (2017: £nil).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**25. Controlling party**

The company's immediate parent company is Day Lewis plc, a company registered in England and Wales.

It prepares group accounts which are available at Day Lewis House, 2 Peterwood Way, Croydon, Surrey CR0 4UQ.

The ultimate parent company is Day Lewis Holdings Limited, a company registered in Cyprus and controlled by the executors of the Kirit Patel Estate.

Copies of the ultimate parent and of its group financial statements are not publicly available.

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