

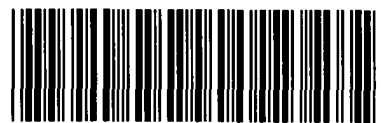
S & D PHARMA LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2016

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S & D PHARMA LIMITED

COMPANY INFORMATION

Directors	D R Straus A Nemcokova
Secretary	L P C Secretarial Limited
Company number	02569124
Registered office	Unit 10, Delta Court Manor Way Borehamwood Hertfordshire WD6 1FJ
Auditor	Morris Palmer Limited Bartelot Court Bartelot Road Horsham West Sussex RH12 1DQ
Business address	Unit 10, Delta Court Manor Way Borehamwood Hertfordshire WD6 1FJ
Bankers	Barclays Bank plc 1 Churchill Place London E14 5HP

S & D PHARMA LIMITED

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S & D PHARMA LIMITED

BALANCE SHEET

AS AT 31 MAY 2016

	Notes	£	2016 £	2015 £
Fixed assets				
Tangible assets	4		8,973	5,538
Current assets				
Stocks		182,473	222,032	
Debtors	5	4,400,665	3,188,574	
Cash at bank and in hand		591,842	925,470	
		<u>5,174,980</u>	<u>4,336,076</u>	
Creditors: amounts falling due within one year	6	<u>(854,957)</u>	<u>(805,445)</u>	
Net current assets			4,320,023	3,530,631
Total assets less current liabilities			<u>4,328,996</u>	<u>3,536,169</u>
Provisions for liabilities	7		<u>(1,616)</u>	<u>(1,274)</u>
Net assets			<u><u>4,327,380</u></u>	<u><u>3,534,895</u></u>
Capital and reserves				
Called up share capital	8		500,000	500,000
Profit and loss reserves			3,827,380	3,034,895
Total equity			<u><u>4,327,380</u></u>	<u><u>3,534,895</u></u>

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

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 14 February 2017 and are signed on its behalf by:


D R Straus
Director

Company Registration No. 02569124

S & D PHARMA LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2016**

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 June 2014		500,000	2,666,952	3,166,952
Effect of transition to FRS 102	12	-	(969)	(969)
As restated		500,000	2,665,983	3,165,983
Year ended 31 May 2015:				
Profit and total comprehensive income for the year		-	368,912	368,912
Balance at 31 May 2015		500,000	3,034,895	3,534,895
Year ended 31 May 2016:				
Profit and total comprehensive income for the year		-	792,485	792,485
Balance at 31 May 2016		500,000	3,827,380	4,327,380

S & D PHARMA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2016

1 Accounting policies

Company information

S & D Pharma Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 10, Delta Court, Manor Way, Borehamwood, Hertfordshire, WD6 1FJ.

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.

These financial statements for the year ended 31 May 2016 are the first financial statements of S & D Pharma Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 June 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 12.

1.2 Turnover

Turnover represents amounts receivable for goods net of VAT and trade discounts.

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 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:

Computer equipment	25% straight line
Fixtures, fittings and equipment	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.

1.4 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 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.5 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.

1.6 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.

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.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2016

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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 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 receipts 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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 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.

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.

S & D PHARMA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2016

1 Accounting policies (Continued)

1.9 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.

1.10 Retirement benefits

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

1.11 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 3 (2015 - 3).

3 Directors' remuneration

	2016	2015
	£	£
Remuneration paid to directors	146,973	162,051

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2015 - 1).

S & D PHARMA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2016

4 Tangible fixed assets

	Computer equipment	Fixtures, fittings and equipment	Total
	£	£	£
Cost			
At 1 June 2015	12,044	664	12,708
Additions	1,133	4,243	5,376
At 31 May 2016	13,177	4,907	18,084
Depreciation and impairment			
At 1 June 2015	6,518	652	7,170
Depreciation charged in the year	1,859	82	1,941
At 31 May 2016	8,377	734	9,111
Carrying amount			
At 31 May 2016	4,800	4,173	8,973
At 31 May 2015	5,526	12	5,538

5 Debtors

	2016	2015
	£	£
Amounts falling due within one year:		
Trade debtors	192,819	193,856
Corporation tax recoverable	-	10,000
Amount due from parent undertaking	2,721,422	1,665,347
Amounts due from fellow group undertakings	1,454,047	1,281,995
Other debtors	16,213	22,199
Prepayments and accrued income	16,164	15,177
	4,400,665	3,188,574

6 Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	736,121	704,877
Corporation tax	39,628	-
Other taxation and social security	4,293	4,037
Accruals and deferred income	74,915	96,531
	854,957	805,445

S & D PHARMA LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MAY 2016****7 Provisions for liabilities**

	2016 £	2015 £
Deferred tax liabilities	1,616	1,274
	<u>1,616</u>	<u>1,274</u>

8 Called up share capital

	2016 £	2015 £
Ordinary share capital Issued and fully paid 500,000 Ordinary shares of £1 each	500,000	500,000
	<u>500,000</u>	<u>500,000</u>

9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Martin Carter FCA.

The auditor was Morris Palmer Limited.

10 Related party transactions**Transactions with related parties**

S & D Pharma SK s.r.o. is a fellow subsidiary undertaking of parent company London Pharma & Chemicals Group Ltd. During the year, the company sold goods to a value totalling £3,376,600 (2015 - £2,124,371) to S & D Pharma SK s.r.o.

Parent company London Pharma & Chemicals Group Ltd and fellow subsidiary ProTec Ingredia Limited have each provided unlimited guarantees to Barclays Bank plc in respect of the company's facilities with the bank.

As at 31 May 2016, the following balances with related parties were outstanding:

£38,168 (2015 - £35,971) owed by the company to Mrs A Nemcokova, a director of the company.

S & D PHARMA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2016

11 Parent company

The parent company of the smallest group which draws up consolidated financial statements is London Pharma & Chemicals Holdings Ltd. The registered office is Unit 10, Delta Court, Manor Way, Borehamwood, Hertfordshire, WD6 1FJ.

12 Reconciliations on adoption of FRS 102

Reconciliation of equity

	Notes	At 1 June 2014			At 31 May 2015		
		Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Effect of transition £	FRS 102 £
Fixed assets							
Tangible assets		3,314	-	3,314	5,538	-	5,538
Current assets							
Stocks		100,380	-	100,380	222,032	-	222,032
Debtors		2,428,764	-	2,428,764	3,188,574	-	3,188,574
Bank and cash		1,159,762	-	1,159,762	925,470	-	925,470
		3,688,906	-	3,688,906	4,336,076	-	4,336,076
Creditors due within one year							
Taxation		(3,697)	-	(3,697)	(4,037)	-	(4,037)
Other creditors	1	(520,809)	(969)	(521,778)	(801,100)	(308)	(801,408)
		(524,506)	(969)	(525,475)	(805,137)	(308)	(805,445)
Net current assets		3,164,400	(969)	3,163,431	3,530,939	(308)	3,530,631
Total assets less current liabilities		3,167,714	(969)	3,166,745	3,536,477	(308)	3,536,169
Provisions for liabilities							
Deferred tax		(762)	-	(762)	(1,274)	-	(1,274)
Net assets		3,166,952	(969)	3,165,983	3,535,203	(308)	3,534,895
Capital and reserves							
Share capital		500,000	-	500,000	500,000	-	500,000
Profit and loss	1	2,666,952	(969)	2,665,983	3,035,203	(308)	3,034,895
Total equity		3,166,952	(969)	3,165,983	3,535,203	(308)	3,534,895

S & D PHARMA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2016

12 Reconciliations on adoption of FRS 102

(Continued)

Reconciliation of profit for the financial period

	Notes	Year ended 31 May 2015		FRS 102 £
		Previous UK GAAP £	Effect of transition £	
Turnover		4,436,598	-	4,436,598
Cost of sales		(3,777,773)	-	(3,777,773)
Gross profit		658,825	-	658,825
Administrative expenses	1	(290,731)	661	(290,070)
Interest receivable and similar income		535	-	535
Taxation		(378)	-	(378)
Profit for the financial period		368,251	661	368,912

Notes to reconciliations on adoption of FRS 102

1. Holiday pay accrual

Prior to the adoption of FRS 102, the company did not make provision for holiday pay earned but not taken before the year end. FRS 102 requires the cost of short-term compensated absences to be recognised when employees render the service that increases their entitlement.

Consequently an additional accrual of £969 at 1 June 2014 has been made to reflect this. The provision at 31 May 2015 had decreased to £308 and the decrease in provision of £661 has been credited to profit and loss in the year ended 31 May 2015.