

Company Registration No. 03093792 (England and Wales)

Gill & Schofield Pharmaceutical Chemists Limited

**Financial Statements
for the year ended 31 January 2016**

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Gill & Schofield Pharmaceutical Chemists Limited

Company Information

Directors Mr J A Schofield
Mr S E Gill

Secretary Mr J A Schofield

Company number 03093792

Registered office Saville Chambers
4 Saville Street
South Shields
Tyne & Wear
NE33 2PR

Auditor Charlton & Co
Saville Chambers
4 Saville Street
South Shields
Tyne & Wear
NE33 2PR

Gill & Schofield Pharmaceutical Chemists Limited

Contents

	Page
Balance sheet	1
Notes to the financial statements	2 - 10

Gill & Schofield Pharmaceutical Chemists Limited

Balance Sheet as at 31 January 2016

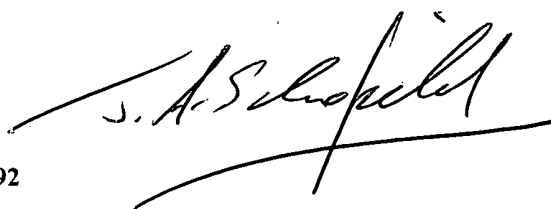
	Notes	2016 £	£	2015 £	£
Fixed assets					
Goodwill	3	1,845,611		2,201,675	
Tangible assets	4	701,268		897,513	
		<u>2,546,879</u>		<u>3,099,188</u>	
Current assets					
Stocks		292,964		276,538	
Debtors	5	1,358,374		723,827	
Cash at bank and in hand		8,723		336,625	
		<u>1,660,061</u>		<u>1,336,990</u>	
Creditors: amounts falling due within one year	6	(1,595,474)		(1,237,243)	
Net current assets		<u>64,587</u>		<u>99,747</u>	
Total assets less current liabilities		<u>2,611,466</u>		<u>3,198,935</u>	
Creditors: amounts falling due after more than one year	7	(2,214,627)		(2,527,756)	
Provisions for liabilities		<u>(41,504)</u>		<u>(26,466)</u>	
Net assets		<u>355,335</u>		<u>644,713</u>	
Capital and reserves					
Called up share capital	9	2		2	
Profit and loss reserves		355,333		644,711	
Total equity		<u>355,335</u>		<u>644,713</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 27 October 2016 and are signed on its behalf by:

Mr J A Schofield
Director



Company Registration No. 03093792

Gill & Schofield Pharmaceutical Chemists Limited

Notes to the Financial Statements for the year ended 31 January 2016

1 Accounting policies

Company information

Gill & Schofield Pharmaceutical Chemists Limited is a private company limited by shares incorporated in England and Wales. The registered office is Saville Chambers, 4 Saville Street, South Shields, Tyne & Wear, NE33 2PR.

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 January 2016 are the first financial statements of Gill & Schofield Pharmaceutical Chemists 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 February 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised at the point of sale.

1.3 Intangible fixed assets - goodwill

Acquired is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is seven years. The useful life was previously estimated as ten years but this was revised following consideration of future changes within the pharmacy industry. The effect of this change was increased amortisation of £106,823.

1.4 Tangible fixed assets

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

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

Land and buildings Freehold	not depreciated
Land and buildings Leasehold	straight line over the life of the lease
Fixtures, fittings & equipment	15% reducing balance
Computer equipment	33% straight line
Motor vehicles	25% reducing balance

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.

Gill & Schofield Pharmaceutical Chemists Limited

Notes to the Financial Statements (continued) for the year ended 31 January 2016

1 Accounting policies

(continued)

1.5 Impairment of fixed assets

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

1.6 Stocks

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

1.7 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.

1.8 Financial instruments

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

Financial instruments are recognised in the company's statement of financial position 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Gill & Schofield Pharmaceutical Chemists Limited

Notes to the Financial Statements (continued) for the year ended 31 January 2016

1 Accounting policies

(continued)

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.

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, 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 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.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Gill & Schofield Pharmaceutical Chemists Limited

Notes to the Financial Statements (continued) for the year ended 31 January 2016

1 Accounting policies

(continued)

Derecognition of financial liabilities

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

1.9 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.

1.10 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.

1.11 Employee benefits

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

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.

1.12 Retirement benefits

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

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

Gill & Schofield Pharmaceutical Chemists Limited

Notes to the Financial Statements (continued) for the year ended 31 January 2016

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 77 (2015 - 71).

3 Intangible fixed assets

	Goodwill £
Cost	
At 1 February 2015	2,537,446
Disposals	(45,000)
At 31 January 2016	<u>2,492,446</u>
Amortisation and impairment	
At 1 February 2015	335,771
Amortisation charged for the year	356,064
Disposals	(45,000)
At 31 January 2016	<u>646,835</u>
Carrying amount	
At 31 January 2016	<u>1,845,611</u>
At 31 January 2015	<u>2,201,675</u>

4 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
Cost			
At 1 February 2015	799,728	304,399	1,104,127
Additions	-	61,120	61,120
Disposals	(202,462)	-	(202,462)
At 31 January 2016	<u>597,266</u>	<u>365,519</u>	<u>962,785</u>
Depreciation and impairment			
At 1 February 2015	92,438	114,176	206,614
Depreciation charged in the year	15,178	39,725	54,903
At 31 January 2016	<u>107,616</u>	<u>153,901</u>	<u>261,517</u>
Carrying amount			
At 31 January 2016	<u>489,650</u>	<u>211,618</u>	<u>701,268</u>
At 31 January 2015	<u>707,290</u>	<u>190,223</u>	<u>897,513</u>

Gill & Schofield Pharmaceutical Chemists Limited

Notes to the Financial Statements (continued) for the year ended 31 January 2016

5 Debtors	2016	2015
	£	£
Amounts falling due within one year:		
Trade debtors	1,139,850	507,161
Corporation tax recoverable	-	6,200
Other debtors	218,524	210,466
	<u>1,358,374</u>	<u>723,827</u>
6 Creditors: amounts falling due within one year	2016	2015
	£	£
Bank loans and overdrafts	418,003	154,500
Trade creditors	794,304	936,680
Corporation tax	10,988	-
Other taxation and social security	23,583	24,934
Other creditors	348,596	121,129
	<u>1,595,474</u>	<u>1,237,243</u>
7 Creditors: amounts falling due after more than one year	2016	2015
	£	£
Bank loans and overdrafts	2,214,627	2,527,756
	<u>2,214,627</u>	<u>2,527,756</u>
Amounts included above which fall due after five years are as follows:		
Payable by instalments	1,582,970	2,064,257
	<u>1,582,970</u>	<u>2,064,257</u>
Bank loans and overdrafts are secured by charges on the company's land and buildings, as well as personal guarantees by the directors totalling £504,500.		
8 Provisions for liabilities	2016	2015
	£	£
Deferred tax liabilities	41,504	26,466
	<u>41,504</u>	<u>26,466</u>

Gill & Schofield Pharmaceutical Chemists Limited

Notes to the Financial Statements (continued) for the year ended 31 January 2016

9 Called up share capital

	2016	2015
	£	£
Ordinary share capital		
Issued and fully paid		
2 Ordinary Shares of £1 each	2	2

10 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 Mr Mark Charlton FCA.

The auditor was Charlton & Co.

11 Operating lease commitments

Lessee

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

	2016	2015
	£	£
Within one year	135,903	135,903
Between two and five years	543,614	543,614
In over five years	1,133,461	1,269,365
	<u>1,812,978</u>	<u>1,948,882</u>

12 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Management charges paid	
	2016	2015
	£	£
Other related parties	<u>176,000</u>	<u>216,000</u>

Gill & Schofield Pharmaceutical Chemists Limited

Notes to the Financial Statements (continued) for the year ended 31 January 2016

12 Related party transactions

(continued)

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2016 £	2015 £
Other related parties	307,688	77,004
	<u>307,688</u>	<u>77,004</u>

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties 2016		Amounts owed by related parties 2015	
	Balance £	Net £	Balance £	Net £
Other related parties	6,230	6,230	-	-
	<u>6,230</u>	<u>6,230</u>	<u>-</u>	<u>-</u>

No guarantees have been given or received.

13 Directors' transactions

Dividends totalling £308000 (2015 - £336000) were paid in the year in respect of shares held by the company's directors.