
CARE @ OXFORD LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

CARE @ OXFORD LIMITED

COMPANY INFORMATION

Directors

Dr D Ward (resigned 10 September 2019)
J C Patel (resigned 10 September 2019)
J C Patel Jnr (resigned 10 September 2019)
J S Bhogal (appointed 10 September 2019)

Registered number

07575206

Registered office

96 - 98 High Street
Harlesden
London
NW10 4SL

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**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2019**

The directors present their report and the for the year ended 31 March 2019.

Principal activity

The principal activity of the company is that of retail chemists and druggists.

Directors

The directors who served during the year were:

Dr D Ward (resigned 10 September 2019)

J C Patel (resigned 10 September 2019)

J C Patel Jnr (resigned 10 September 2019)

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.

J S Bhogal

Director

Date: 4 February 2020

96 - 98 High Street

Harlesden

London

NW10 4SL

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019 £	2018 £
Turnover	4	877,765	910,593
Cost of sales		(665,453)	(570,592)
Gross profit		<u>212,312</u>	<u>340,001</u>
Administrative expenses		(381,074)	(362,466)
Operating loss	5	(168,762)	(22,465)
Tax on loss		28,657	4,042
Loss for the financial year		<u>(140,105)</u>	<u>(18,423)</u>

There were no recognised gains and losses for 2019 or 2018 other than those included in the profit and loss account.

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019 £	2018 £
Loss for the financial year		(140,105)	(18,423)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>(140,105)</u>	<u>(18,423)</u>

The notes on pages 5 to 17 form part of these financial statements.

BALANCE SHEET
AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	9	1,891	1,911
Tangible assets	10	16,545	19,540
		<u>18,436</u>	<u>21,451</u>
Current assets			
Stocks	11	54,992	64,951
Debtors: amounts falling due within one year	12	299,236	412,937
Cash at bank and in hand	13	22,269	12,711
		<u>376,497</u>	<u>490,599</u>
Creditors: amounts falling due within one year	14	(818,957)	(795,969)
Net current liabilities		(442,460)	(305,370)
Net liabilities		<u>(424,024)</u>	<u>(283,919)</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		(424,124)	(284,019)
		<u>(424,024)</u>	<u>(283,919)</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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 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:

J S Bhogal

Director

Date: 4 February 2020

The notes on pages 5 to 17 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2018	100	(284,019)	(283,919)
Comprehensive income for the year			
Loss for the year	-	(140,105)	(140,105)
Total comprehensive income for the year	-	(140,105)	(140,105)
At 31 March 2019	100	(424,124)	(424,024)

The notes on pages 5 to 17 form part of these financial statements.

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

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2017	100	(265,596)	(265,496)
Comprehensive income for the year			
Loss for the year	-	(18,423)	(18,423)
Total comprehensive income for the year	-	(18,423)	(18,423)
At 31 March 2018	100	(284,019)	(283,919)

The notes on pages 5 to 17 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

1. General information

Care @ Oxford 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 Care @ Oxford Ltd 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 £.

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's 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 2019 and these financial statements may be obtained from 2 Peterwood Way, Croydon, Surrey, CR0 4UQ.

2.3 Turnover

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

2. Accounting policies (continued)

2.4 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.

2.5 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.

2.6 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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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

2. Accounting policies (continued)

2.7 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:

Short-term leasehold property	- Straight line over 12 years
Plant and machinery	- Straight line over 12 years

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.

2.8 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.

2.9 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.

2.10 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.

2.11 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

2. Accounting policies (continued)

2.12 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.

2.13 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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

2. Accounting policies (continued)**2.13 Financial instruments (continued)**

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.

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.

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 impairment value is based on applicable discount rate and turnaround plan for cash-generating units that may have been impaired. The carrying amount of retail pharmacy license at the balance sheet date was £1,911 (2018: £1,930) after an impairment loss of £nil (2018: £nil) was recognised during the year 2019.

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 the sale of pharmaceutical products.

Analysis of turnover by country of destination:

	2019	<i>2018</i>
	£	<i>£</i>
United Kingdom	877,765	<i>910,593</i>
	<u>877,765</u>	<u><i>910,593</i></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

5. **Operating loss**

The operating loss is stated after charging:

	2019	2018
	£	£
Other operating lease rentals	<u>20,000</u>	<u>20,000</u>

6. **Employees**

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

	2019 No.	2018 No.
Distribution and sales	8	8
Administrative and pharmacists	3	3
	<u>11</u>	<u>11</u>

7. **Directors' remuneration**

Directors' remuneration cost borne by Day Lewis Plc.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

8. Taxation

	2019 £	2018 £
Current tax on profits for the year	-	-
	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	(28,657)	(3,619)
Prior year adjustment	-	(423)
	<u>-</u>	<u>-</u>
Total deferred tax	<u>(28,657)</u>	<u>(4,042)</u>
	<u>(28,657)</u>	<u>(4,042)</u>
Taxation on loss on ordinary activities	<u>(28,657)</u>	<u>(4,042)</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Loss on ordinary activities before tax	<u>(168,762)</u>	<u>(22,465)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(32,065)	(4,268)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	36	223
Deferred tax prior year adjustment	-	(423)
Other tax adjustments	3,372	426
	<u>(28,657)</u>	<u>(4,042)</u>
Total tax credit for the year	<u>(28,657)</u>	<u>(4,042)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

8. Taxation (continued)**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.

9. Intangible assets

	Retail pharmacy licences £
Cost	
At 1 April 2018	1,950
At 31 March 2019	<u>1,950</u>
Amortisation	
At 1 April 2018	39
Charge for the year	20
At 31 March 2019	<u>59</u>
Net book value	
At 31 March 2019	<u><u>1,891</u></u>
At 31 March 2018	<u><u>1,911</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

10. Tangible fixed assets

	Land and buildings £	Plant and machinery £	Total £
Cost or valuation			
At 1 April 2018	2,291	31,072	33,363
At 31 March 2019	2,291	31,072	33,363
Depreciation			
At 1 April 2018	1,191	12,632	13,823
Charge for the year on owned assets	228	2,767	2,995
At 31 March 2019	1,419	15,399	16,818
Net book value			
At 31 March 2019	872	15,673	16,545
At 31 March 2018	1,100	18,440	19,540

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

	2019 £	2018 £
Short leasehold	872	1,100
	872	1,100

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

11. Stocks

	2019 £	2018 £
Finished goods and goods for resale	54,992	64,951
	<u>54,992</u>	<u>64,951</u>

Stock recognised in cost of sales during the year as an expense was £665,453 (2018 - £570,592) .

An impairment loss of £nil (2018 - £nil) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

12. Debtors

	2019 £	2018 £
Trade debtors	180,670	179,302
Amounts owed by group undertakings	-	143,476
Other debtors	22,112	22,327
Prepayments and accrued income	5,623	5,658
Deferred taxation	90,831	62,174
	<u>299,236</u>	<u>412,937</u>

13. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	22,269	12,711
	<u>22,269</u>	<u>12,711</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

14. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	117,549	113,777
Amounts owed to group undertakings	578,631	570,386
Other taxation and social security	2,812	3,829
Other creditors	104,537	103,813
Accruals and deferred income	15,428	4,164
	<u>818,957</u>	<u>795,969</u>

15. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value	22,269	12,711
Financial assets measured at amortised cost	202,782	345,105
	<u>225,051</u>	<u>357,816</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(803,529)</u>	<u>(791,805)</u>

16. Deferred taxation

	2019 £	2018 £
At beginning of year	62,174	58,132
Charged to profit or loss	28,657	4,042
At end of year	<u>90,831</u>	<u>62,174</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

16. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	(541)	(554)
Tax losses carried forward	91,362	62,721
Deferred tax on retail pharmacy licences	10	7
	<u>90,831</u>	<u>62,174</u>

17. Commitments under operating leases

At 31 March 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	20,000	20,000
Later than 1 year and not later than 5 years	77,260	80,000
Later than 5 years	-	17,260
	<u>97,260</u>	<u>117,260</u>

18. Related party transactions

The company recharge expenses of £nil (2018: £15,645) paid on behalf of Day Lewis Plc, a parent company. Day Lewis Plc paid expenses of £107,213 (2018: £81,509) on behalf of the company. As at 31 March 2019 the company owed £2,831 (2018: £143,286 owed by) to Day Lewis Plc.

The company recharge expenses of £4,810 (2018: £6,928) paid on behalf of ABC Drug Stores Limited, a fellow subsidiary of the company's parent company Day Lewis Plc. ABC Drug Stores Limited paid expenses of £nil (2018: £3,315) on behalf of the company. As at 31 March 2019 the company owed £2,719 (2018: £191 owed by) to ABC Drug Stores Limited.

The company made purchases of £298,874 (2018: £699,131) from Day Lewis Medical Limited, a fellow subsidiary of the company's parent company Day Lewis Plc. As at 31 March 2019 the company owed £573,082 (2018: £570,386) to Day Lewis Medical Limited.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

19. Controlling party

The company's immediate parent company is Stargazer Drug Stores Limited, a company registered in England and Wales.

Stargazer Drug Stores Limited 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 Kirit Patel Will Trust.

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

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.