

COMPANY REGISTRATION NUMBER: 01346342

Coopers Chemist Marske Limited
Financial Statements
31st August 2016

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Coopers Chemist Marske Limited

Financial Statements

Year ended 31st August 2016

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Coopers Chemist Marske Limited

Officers and Professional Advisers

The board of directors

Mr J Cooper
Mr D Cooper
Mrs S Cooper
Mrs J Cooper
Mrs L Cooper
Mr P Brady

Company secretary

Mrs Sadie Cooper

Registered office

112 High Street
Marske
Redcar
TS11 7BA

Auditor

Tait Walker LLP
Chartered accountant & statutory auditor
Medway House
Fudan Way
Teesdale Park
Stockton-on-Tees
TS17 6EN

Bankers

Bank of Scotland
41/51 Grey Street
Newcastle upon Tyne
NE1 6EE

Coopers Chemist Marske Limited

Strategic Report

Year ended 31st August 2016

The directors present their Strategic Report on the Group for the year ended 31st August 2016.

Business review

The principal activity of the group during the year was as dispensing chemists.

Group companies continue to perform well in the independent sector by prudent buying of drugs and sales of profitable gift lines gross profit margins increased by 2%.

Principal risks and uncertainties

Group companies are subject to a number of key risks. Risks are reviewed by the directors and appropriate policies are put in place to monitor and mitigate these risks.

Government legislation

Group companies operate in a highly regulated market. Changes in legislation may detrimentally affect the operation of the group.

Competition

The pharmacy industry is an extremely competitive market. In recent years, the number of pharmacy outlets has expanded significantly. To maintain turnover and profitability, the group must remain responsive to the changing market requirements and continue to focus on providing a comprehensive, value for money, service to the communities in which it operates.

Control

The board monitors group performance using a range of indicators, some of the most significant of which are as follows:

Key performance indicators:

	2016	2015	2014
Gross profit margin (%)	33.61	31.73	32.34
Net operating margin (%)	2.69	1.55	2.49
Net profit margin (%)	2.36	0.57	2.07

Future developments

During 2016/17 the computerised purchasing system will help the group source competitive supplies of pharmaceuticals. We will also strive to enhance our reputation as a supplier of quality sundry products.

The government cuts in the global sum will take effect in December 2016 affecting cash flow in February 2017 by reducing prescription fees by approximately 30p per item to April 2017 (as they are back dated to April 2016). The reductions will be spread over 12 months from April 2017 so the negative affect on reduction in fees on cash flow will be less from June 2017.

The group are balancing savings that can be made on costs with reductions in customer service although sufficient funds have been retained to operate in these conditions.

Coopers Chemist Marske Limited

Strategic Report *(continued)*

Year ended 31st August 2016

This report was approved by the board of directors on 27.2.17 and signed on behalf of the board by:



Mr J Cooper
Director

Coopers Chemist Marske Limited

Directors' Report

Year ended 31st August 2016

The directors present their report and the financial statements of the group for the year ended 31st August 2016.

Directors

The directors who served the company during the year were as follows:

Mr J Cooper
Mr D Cooper
Mrs S Cooper
Mrs J Cooper
Mrs L Cooper
Mr P Brady

Dividends

Particulars of dividends are detailed in note 13 to the financial statements.

Future developments

The future developments of the group are included within the Strategic Report on page 2.

Financial risk management objectives and policies

The group has an established, structured approach to risk management. The group's activities expose it to a variety of financial risks, including liquidity and interest rate risks. The group has adopted risk management policies that seek to mitigate these risks in a cost effective manner.

Liquidity risk is the risk that the group does not have sufficient liquid assets to meet its obligations as they fall due. Liquidity is maintained at a prudent level and the group ensures there is an adequate liquidity buffer to cover contingencies.

The group maintains sufficient cash and open committed credit lines from banks for its funding requirements.

Interest rate risk re unfavourable movements in interest rates is not perceived as being material to the accounts due to the borrowing agreements in place.

Principal activity

The principal activity of the group during the year was as dispensing chemists.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and the company and the profit or loss of the group for that period.

Coopers Chemist Marske Limited

Directors' Report *(continued)*

Year ended 31st August 2016

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

A resolution to reappoint Tait Walker LLP as auditors will be proposed at the forthcoming Annual General Meeting.

This report was approved by the board of directors on 27.3.17 and signed on behalf of the board by:



Mr J Cooper
Director

Coopers Chemist Marske Limited

Independent Auditor's Report to the Members of Coopers Chemist Marske Limited

Year ended 31st August 2016

We have audited the financial statements of Coopers Chemist Marske Limited for the year ended 31st August 2016, on pages 8 to 33. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the strategic report and the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31st August 2016 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Coopers Chemist Marske Limited

Independent Auditor's Report to the Members of Coopers Chemist Marske Limited *(continued)*

Year ended 31st August 2016

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or

Tait Walker LLP

Julie Harrison BSc(Hons) FCA (Senior Statutory Auditor)
For and on behalf of
Tait Walker LLP
Chartered accountant & statutory auditor
Medway House
Fudan Way
Teesdale Park
Stockton-on-Tees
TS17 6EN

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Coopers Chemist Marske Limited

Consolidated Statement of Comprehensive Income

Year ended 31st August 2016

	Note	2016 £	2015 £
Turnover	4	8,901,527	8,938,544
Cost of sales		<u>5,907,001</u>	<u>6,102,585</u>
Gross profit		2,994,526	2,835,959
Administrative expenses		<u>2,805,509</u>	<u>2,749,729</u>
Other operating income	5	<u>50,435</u>	<u>38,637</u>
Operating profit	6	239,452	124,867
Other interest receivable and similar income		<u>2,716</u>	<u>2,019</u>
Interest payable and similar charges	10	<u>31,926</u>	<u>38,841</u>
Profit on ordinary activities before taxation		210,242	88,045
Tax on profit on ordinary activities	11	<u>73,068</u>	<u>81,203</u>
Profit for the financial year and total comprehensive income		<u>137,174</u>	<u>6,842</u>
Profit for the financial year attributable to:			
The owners of the parent company		<u>123,991</u>	<u>(18,036)</u>
Minority interests		<u>13,183</u>	<u>24,878</u>
		<u>137,174</u>	<u>6,842</u>

All the activities of the group are from continuing operations.

The group has no other recognised items of income and expenses other than the result for the year as set out above.

The notes on pages 15 to 33 form part of these financial statements.

Coopers Chemist Marske Limited
Consolidated Statement of Financial Position
31st August 2016

	Note	2016 £	2015 £
Fixed assets			
Intangible assets	14	1,348,056	1,453,719
Tangible assets	15	367,045	527,789
Investments	16	2,200	2,200
		<u>1,717,301</u>	<u>1,983,708</u>
Current assets			
Stocks	17	626,613	654,073
Debtors	18	1,580,970	1,614,164
Cash at bank and in hand		1,053,077	855,879
		<u>3,260,660</u>	<u>3,124,116</u>
Creditors: amounts falling due within one year	19	<u>1,774,631</u>	<u>1,787,816</u>
Net current assets		<u>1,486,029</u>	<u>1,336,300</u>
Total assets less current liabilities		<u>3,203,330</u>	<u>3,320,008</u>
Creditors: amounts falling due after more than one year	20	206,697	394,095
Provisions			
Taxation including deferred tax	22	20,557	29,928
Net assets		<u>2,976,076</u>	<u>2,895,985</u>
Capital and reserves			
Called up share capital	26	100	100
Share premium account	27	237,190	237,190
Profit and loss account	27	2,189,186	2,122,278
Equity attributable to the owners of the parent company		<u>2,426,476</u>	<u>2,359,568</u>
Minority interests		<u>549,600</u>	<u>536,417</u>
		<u>2,976,076</u>	<u>2,895,985</u>

The consolidated statement of financial position
continues on the following page.

The notes on pages 15 to 33 form part of these financial statements.

Coopers Chemist Marske Limited

Consolidated Statement of Financial Position *(continued)*

31st August 2016

These financial statements were approved by the board of directors and authorised for issue on 27.2.17, and are signed on behalf of the board by:



Mr J Cooper
Director

Company registration number: 01346342

The notes on pages 15 to 33 form part of these financial statements.

Coopers Chemist Marske Limited
Company Statement of Financial Position
31st August 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	15	53,918	77,517
Investments	16	3,299,245	3,299,245
		<u>3,353,163</u>	<u>3,376,762</u>
Current assets			
Stocks	17	206,082	216,362
Debtors	18	185,720	229,914
Cash at bank and in hand		475,957	210,813
		<u>867,759</u>	<u>657,089</u>
Creditors: amounts falling due within one year	19	<u>1,693,369</u>	<u>2,497,769</u>
Net current liabilities		<u>825,610</u>	<u>1,840,680</u>
Total assets less current liabilities		<u>2,527,553</u>	<u>1,536,082</u>
Creditors: amounts falling due after more than one year	20	30,865	109,171
Provisions			
Taxation including deferred tax	22	(3,311)	(98)
Net assets		<u>2,499,999</u>	<u>1,427,009</u>
Capital and reserves			
Called up share capital	26	100	100
Profit and loss account	27	2,499,899	1,426,909
Members funds		<u>2,499,999</u>	<u>1,427,009</u>

These financial statements were approved by the board of directors and authorised for issue on 27.2.17, and are signed on behalf of the board by:



Mr J Cooper
Director

Company registration number: 01346342

The notes on pages 15 to 33 form part of these financial statements.

Coopers Chemist Marske Limited

Consolidated Statement of Changes in Equity

Year ended 31st August 2016

	Called up share capital £	Share premium account £	Profit and loss account £	Equity attributable to the owners of the parent company £	Minority interests £	Total £
At 1st September 2014	100	237,190	2,179,064	2,416,354	511,539	2,927,893
Loss for the year	—	—	(18,036)	(18,036)	24,878	6,842
Total comprehensive income for the year	—	—	(18,036)	(18,036)	24,878	6,842
Dividends paid and payable	—	—	(38,750)	(38,750)	—	(38,750)
Total investments by and distributions to owners	—	—	(38,750)	(38,750)	—	(38,750)
At 31st August 2015	100	237,190	2,122,278	2,359,568	536,417	2,895,985
Profit for the year	—	—	123,991	123,991	13,183	137,174
Total comprehensive income for the year	—	—	123,991	123,991	13,183	137,174
Dividends paid and payable	—	—	(57,083)	(57,083)	—	(57,083)
Total investments by and distributions to owners	—	—	(57,083)	(57,083)	—	(57,083)
At 31st August 2016	<u>100</u>	<u>237,190</u>	<u>2,189,186</u>	<u>2,426,476</u>	<u>549,600</u>	<u>2,976,076</u>

The notes on pages 15 to 33 form part of these financial statements.

Coopers Chemist Marske Limited
Company Statement of Changes in Equity
Year ended 31st August 2016

	Called up share capital £	Profit and loss account £	Total £
At 1st September 2014	100	1,432,351	1,432,451
Loss for the year	—	(5,442)	(5,442)
Total comprehensive income for the year	—	(5,442)	(5,442)
At 31st August 2015	100	1,426,909	1,427,009
Profit for the year	—	1,072,990	1,072,990
Total comprehensive income for the year	—	1,072,990	1,072,990
At 31st August 2016	<u>100</u>	<u>2,499,899</u>	<u>2,499,999</u>

The notes on pages 15 to 33 form part of these financial statements.

Coopers Chemist Marske Limited

Consolidated Statement of Cash Flows

Year ended 31st August 2016

	2016 £	2015 £
Cash flows from operating activities		
Profit for the financial year	137,174	6,842
<i>Adjustments for:</i>		
Depreciation of tangible assets	74,350	60,615
Amortisation of intangible assets	105,663	105,663
Fair value adjustment of investment property	–	(37,176)
Other interest receivable and similar income	(2,716)	(2,019)
Interest payable and similar charges	31,926	38,841
Loss/(gains) on disposal of tangible assets	1,162	(5,826)
Tax on profit on ordinary activities	73,068	81,203
Accrued (income)/expenses	(16,949)	9,467
<i>Changes in:</i>		
Stocks	27,460	(41,041)
Trade and other debtors	33,194	14,819
Trade and other creditors	(22,432)	23,122
Cash generated from operations	441,900	254,510
Interest paid	(31,926)	(38,841)
Interest received	2,716	2,019
Tax paid	(70,099)	(87,661)
Net cash from operating activities	<u>342,591</u>	<u>130,027</u>
Cash flows from investing activities		
Purchase of tangible assets	(8,606)	(141,029)
Proceeds from sale of tangible assets	93,838	85,784
Net cash from/(used in) investing activities	<u>85,232</u>	<u>(55,245)</u>
Cash flows from financing activities		
Proceeds from borrowings	(164,117)	(214,947)
Payments of finance lease liabilities	(9,425)	(9,425)
Dividends paid	(57,083)	(38,750)
Net cash used in financing activities	<u>(230,625)</u>	<u>(263,122)</u>
Net increase/(decrease) in cash and cash equivalents	197,198	(188,340)
Cash and cash equivalents at beginning of year	855,879	1,044,219
Cash and cash equivalents at end of year	<u>1,053,077</u>	<u>855,879</u>

The notes on pages 15 to 33 form part of these financial statements.

Coopers Chemist Marske Limited

Notes to the Financial Statements

Year ended 31st August 2016

1. General information

The company is a private company limited by shares, registered in England and Wales.

2. Statement of compliance

These financial statements have been prepared in accordance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

The entity is a limited company incorporated in England & Wales. The registered office is:
112 High Street
Marske
Redcar
TS11 7BA

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are presented in sterling, which is the functional currency of the entity.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1st September 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 30.

Consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over 20 years from the year of acquisition. The results of the companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Coopers Chemist Marske Limited

Notes to the Financial Statements *(continued)*

Year ended 31st August 2016

3. Accounting policies *(continued)*

Minority interests

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination.

The proportions of profit or loss and changes in equity allocated to the owners of the parent and to the minority interests are determined on the basis of existing ownership interests and do not reflect the possible exercise or conversion of options or convertible instruments.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

The directors have classified the building and equipment leases of the company as operating leases on the grounds that the risks and rewards attached to the leasing arrangements are not considered to be substantially transferred to the company. All other leases are treated as hire purchase leases as the risks and rewards are held by the company.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowances for obsolete and slow moving items.

Revenue recognition

Turnover represents the value of goods sold and services provided during the year net of discounts, returns and Value Added Tax.

For shop sales, turnover is recognised at the point of sale. For services provided, turnover is recognised to the extent that, and when, there is right to consideration.

Rental income is recognised in the period to which it relates.

Coopers Chemist Marske Limited

Notes to the Financial Statements *(continued)*

Year ended 31st August 2016

3. Accounting policies *(continued)*

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Lease income is recognised in profit or loss on a straight line basis over the lease term. The aggregate cost of lease incentives are recognised as a reduction to income over the lease term on a straight-line basis. Costs, including depreciation, incurred in earning the lease income are recognised as an expense. Any initial direct costs incurred in negotiating and arranging the operating lease are added to the carrying amount of the lease and recognised as an expense over the lease term on the same basis as the lease income.

Goodwill

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life up to a maximum of 20 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	- 20% straight line
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If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Coopers Chemist Marske Limited

Notes to the Financial Statements *(continued)*

Year ended 31st August 2016

3. Accounting policies *(continued)*

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold property alterations	-	4%/10% straight line
Fixtures and fittings	-	10%/15%/20% straight line
Motor vehicles	-	25%/20% straight line
Other equipment	-	33%/25% straight line

Investment property

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with the FRS 102 which, unlike the Companies Act 2006, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Coopers Chemist Marske Limited

Notes to the Financial Statements *(continued)*

Year ended 31st August 2016

3. Accounting policies *(continued)*

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the company statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the company statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Coopers Chemist Marske Limited

Notes to the Financial Statements *(continued)*

Year ended 31st August 2016

3. Accounting policies *(continued)*

Financial instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Defined contribution plans

The group companies operate defined contribution pension schemes for employees. The assets of the schemes are held separately from those of the companies. The annual contributions payable are charged to the group profit and loss account.

4. Turnover

Turnover arises from:

	2016 £	2015 £
Sale of goods	<u>8,901,527</u>	<u>8,938,544</u>

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

5. Other operating income

	2016 £	2015 £
Rental income	45,021	36,885
Other income	<u>5,414</u>	<u>1,752</u>
	<u>50,435</u>	<u>38,637</u>

Coopers Chemist Marske Limited

Notes to the Financial Statements *(continued)*

Year ended 31st August 2016

6. Operating profit

Operating profit or loss is stated after charging:

	2016 £	2015 £
Amortisation of intangible assets	105,663	105,663
Depreciation of tangible assets	74,350	60,616
Impairment of tangible assets recognised in:		
Administrative expenses	–	50,609
Loss/(gains) on disposal of tangible assets	1,162	(5,826)
Fair value adjustments to investment property	–	(37,176)
Operating lease rentals	160,912	164,032
Defined contribution plans expense	57,245	43,466

7. Auditor's remuneration

	2016 £	2015 £
Fees payable for the audit of the financial statements	15,155	15,155

8. Staff costs

The average number of persons employed by the group during the year, including the directors, amounted to:

	2016 No.	2015 No.
Production staff	55	55
Management staff	13	13
	68	68

The aggregate payroll costs incurred during the year, relating to the above, were:

	2016 £	2015 £
Wages and salaries	1,845,095	1,813,899
Social security costs	138,922	140,030
Other pension costs	57,245	43,466
	2,041,262	1,997,395

9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2016 £	2015 £
Remuneration	270,549	291,762
Company contributions to defined contribution pension plans	25,283	24,187
	295,832	315,949

Coopers Chemist Marske Limited

Notes to the Financial Statements *(continued)*

Year ended 31st August 2016

9. Directors' remuneration *(continued)*

The number of directors who accrued benefits under company pension plans was as follows:

	2016 No.	2015 No.
Defined contribution plans	<u>3</u>	<u>4</u>

Remuneration of the highest paid director in respect of qualifying services:

	2016 £	2015 £
Aggregate remuneration	150,655	153,859
Company contributions to defined contribution pension plans	<u>24,083</u>	<u>20,083</u>
	<u>174,738</u>	<u>173,942</u>

The key management of the company are its directors. The total costs for key management personnel, including remuneration, benefits, pension contributions and employer's national insurance was £327,546 (2015: £349,574)

10. Interest payable and similar charges

	2016 £	2015 £
Interest on banks loans and overdrafts	7,944	10,709
Interest on obligations under finance leases and hire purchase contracts	2,188	2,188
Dividends paid on shares classed as debt	20,000	20,000
Other interest payable and similar charges	<u>1,794</u>	<u>5,944</u>
	<u>31,926</u>	<u>38,841</u>

11. Tax on profit on ordinary activities

Major components of tax expense

	2016 £	2015 £
Current tax:		
UK current tax expense	80,997	38,911
Adjustments in respect of prior periods	<u>1,442</u>	<u>29,208</u>
Total current tax	<u>82,439</u>	<u>68,119</u>
Deferred tax:		
Origination and reversal of timing differences	<u>(9,371)</u>	<u>13,084</u>
Tax on profit on ordinary activities	<u>73,068</u>	<u>81,203</u>

Coopers Chemist Marske Limited

Notes to the Financial Statements *(continued)*

Year ended 31st August 2016

11. Tax on profit on ordinary activities *(continued)*

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 20.12%).

	2016 £	2015 £
Profit on ordinary activities before taxation	210,242	88,045
Profit on ordinary activities by rate of tax	42,049	10,234
Adjustment to tax charge in respect of prior periods	1,442	29,208
Effect of expenses not deductible for tax purposes	715	1,926
Fixed assets ineligible depreciation	21,216	31,442
Other permanent differences	8,181	8,229
Tax chargeable at different rates	(1,296)	164
Chargeable gains	761	-
Tax on profit on ordinary activities	73,068	81,203

12. Profit for the year of the parent company

The profit for the financial year of the parent company was £1,072,990 (2015: £5,442 loss).

13. Dividends

Equity dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2016 £	2015 £
Dividends on equity shares	57,084	38,750

Dividends on shares classed as debt

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2016 £	2015 £
Dividends on shares classed as financial liabilities	20,000	20,000

Coopers Chemist Marske Limited

Notes to the Financial Statements *(continued)*

Year ended 31st August 2016

14. Intangible assets

Group	Goodwill £
Cost	
At 1 Sep 2015 and 31 Aug 2016	<u>3,022,819</u>
Amortisation	
At 1st September 2015	1,569,100
Charge for the year	105,663
At 31st August 2016	<u>1,674,763</u>
Carrying amount	
At 31st August 2016	<u>1,348,056</u>
At 31st August 2015	<u>1,453,719</u>

The company has no intangible assets.

15. Tangible assets

Group	Investment properties £	Alterations to leasehold property £	Fixtures and fittings £	Motor vehicles £	Other equipment £	Total £
Cost						
At 1 Sep 2015	245,000	96,428	398,522	137,028	31,230	908,208
Additions	—	—	8,606	—	—	8,606
Disposals	(95,000)	—	—	—	—	(95,000)
At 31 Aug 2016	<u>150,000</u>	<u>96,428</u>	<u>407,128</u>	<u>137,028</u>	<u>31,230</u>	<u>821,814</u>
Depreciation						
At 1 Sep 2015	—	86,482	241,505	46,593	5,839	380,419
Charge for the year	—	414	37,292	30,141	6,503	74,350
At 31 Aug 2016	<u>—</u>	<u>86,896</u>	<u>278,797</u>	<u>76,734</u>	<u>12,342</u>	<u>454,769</u>
Carrying amount						
At 31 Aug 2016	<u>150,000</u>	<u>9,532</u>	<u>128,331</u>	<u>60,294</u>	<u>18,888</u>	<u>367,045</u>
At 31 Aug 2015	<u>245,000</u>	<u>9,946</u>	<u>157,017</u>	<u>90,435</u>	<u>25,391</u>	<u>527,789</u>

Coopers Chemist Marske Limited

Notes to the Financial Statements *(continued)*

Year ended 31st August 2016

15. Tangible assets *(continued)*

Company	Alterations to leasehold property £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1st September 2015	84,602	90,421	92,770	267,793
Additions	–	4,870	–	4,870
At 31st August 2016	84,602	95,291	92,770	272,663
Depreciation				
At 1st September 2015	84,102	67,520	38,654	190,276
Charge for the year	–	7,538	20,931	28,469
At 31st August 2016	84,102	75,058	59,585	218,745
Carrying amount				
At 31st August 2016	500	20,233	33,185	53,918
At 31st August 2015	500	22,901	54,116	77,517

Tangible assets held at valuation

The investment property was valued on 21st December 2015 by Mr Andrew L Dennis BSc (Hons) MSc MRICS, an independent valuer, at £150,000 (market value).

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

Group and company	Motor vehicles £
At 31st August 2016	27,354
At 31st August 2015	45,640

Coopers Chemist Marske Limited

Notes to the Financial Statements *(continued)*

Year ended 31st August 2016

16. Investments

Group		Other investments other than loans	
		£	
Cost			
At 1 Sep 2015 and 31 Aug 2016		<u>2,200</u>	
Impairment			
At 1 Sep 2015 and 31 Aug 2016		<u>-</u>	
Carrying amount			
At 1 Sep 2015 and 31 Aug 2016		<u>2,200</u>	
Company		Shares in group undertakings	Other investments other than loans
		£	£
Cost			
At 1 Sep 2015 and 31 Aug 2016		<u>3,297,045</u>	<u>2,200</u>
Impairment			
At 1 Sep 2015 and 31 Aug 2016		<u>-</u>	<u>-</u>
Carrying amount			
At 1 Sep 2015 and 31 Aug 2016		<u>3,297,045</u>	<u>2,200</u>
		Proportion of voting rights and shares held	Total
			£
Country of incorporation	Holding		
Subsidiary undertakings			
Coopers Chemist Gt. Ayton Limited	England	Ordinary shares 50%	Dispensing chemist
Coopers Chemist Redcar Limited	England	Ordinary shares 100%	Dispensing chemist
Park Avenue Pharmacy Limited	England	Ordinary shares 100%	Dispensing chemist
Clevechem Limited	England	Ordinary shares 54%	Dispensing chemist

17. Stocks

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Goods for re-sale	<u>626,613</u>	<u>654,073</u>	<u>206,082</u>	<u>216,362</u>

Coopers Chemist Marske Limited

Notes to the Financial Statements (continued)

Year ended 31st August 2016

17. Stocks (continued)

Stock recognised as an expense in cost of sales during the year amounted to £5,879,540 (2015: £6,143,623).

18. Debtors

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	650,643	642,082	139,997	144,615
Amounts owed by group undertakings	–	–	34,779	70,637
Prepayments and accrued income	231,237	234,479	10,944	3,990
Other debtors	699,090	737,603	–	10,672
	<u>1,580,970</u>	<u>1,614,164</u>	<u>185,720</u>	<u>229,914</u>

The debtors above include the following amounts falling due after more than one year:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Amounts owed by group undertakings	–	–	–	25,406
Prepayments and accrued income	197,706	208,204	–	–
Other debtors	579,423	607,347	–	–
	<u>777,129</u>	<u>815,551</u>	<u>–</u>	<u>25,406</u>

19. Creditors: amounts falling due within one year

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Bank loans	132,315	164,144	68,896	102,043
Trade creditors	1,112,596	1,074,400	256,170	246,144
Amounts owed to group undertakings	–	–	1,038,825	1,804,418
Accruals and deferred income	129,739	146,688	66,732	77,564
Corporation tax	80,997	68,657	14,128	25,743
Social security and other taxes	48,178	61,256	32,394	24,093
Shares classed as financial liabilities	200,000	200,000	200,000	200,000
Obligations under finance leases and hire purchase contracts	9,425	9,425	9,425	9,425
Other creditors	61,381	63,246	6,799	8,339
	<u>1,774,631</u>	<u>1,787,816</u>	<u>1,693,369</u>	<u>2,497,769</u>

The hire purchase creditor of £9,425 (2015: £9,425) is secured on the assets to which it relates.

Coopers Chemist Marske Limited

Notes to the Financial Statements *(continued)*

Year ended 31st August 2016

20. Creditors: amounts falling due after more than one year

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Bank loans	175,832	308,120	–	68,881
Obligations under finance leases and hire purchase contracts	30,865	40,290	30,865	40,290
Other creditors	–	45,685	–	–
	<u>206,697</u>	<u>394,095</u>	<u>30,865</u>	<u>109,171</u>

Included within creditors: amounts falling due after more than one year is an amount of £1,904 (2015: £24,413) in respect of liabilities repayable by instalments which fall due for payment after more than five years from the reporting date.

Parent company bank borrowings are secured over the whole assets of the company. Repayment is made by instalment, commencing in 2007, over a period of 10 years. Interest is charged at 1% above the bank's base rate.

The borrowings of the subsidiary undertaking, Clevechem Limited, are secured by a legal charge dated 21st December 2009 in favour of Alliance & Leicester plc on the leasehold property known as The Pharmacy, Redcar Primary Care Centre, West Dyke Road, Redcar. There is also a debenture dated 21st December 2009 in favour of Alliance & Leicester plc with a fixed and floating charge over the assets of the company. Alliance & Leicester plc is now part of the Santander Group. Repayment is made by instalment, commencing December 2009, over a period of 10 years. Interest is charged at 1.5% over the bank's base rate.

The bank borrowings of the subsidiary undertaking, Coopers Chemist Redcar Limited, are secured by a legal charge in favour of Bank of Scotland plc on the freehold property known as 4-6 Coatham Road, Redcar. Repayment is made by instalment over ten years starting September 2011. Interest is charged at 2.25% over the bank's base rate.

The hire purchase creditor of £30,865 (2015: £40,290) is secured on the assets to which it relates.

21. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Not later than 1 year	11,613	11,613	11,613	11,613
Later than 1 year and not later than 5 years	38,030	49,643	38,030	49,643
	<u>49,643</u>	<u>61,256</u>	<u>49,643</u>	<u>61,256</u>
Less: future finance charges	(9,353)	(11,541)	(9,353)	(11,541)
Present value of minimum lease payments	<u>40,290</u>	<u>49,715</u>	<u>40,290</u>	<u>49,715</u>

Coopers Chemist Marske Limited

Notes to the Financial Statements *(continued)*

Year ended 31st August 2016

22. Provisions

Group	Deferred tax (note 23) £
At 1st September 2015	29,928
Charge against provision	(9,371)
At 31st August 2016	<u>20,557</u>
Company	Deferred tax (note 23) £
At 1st September 2015	(3,311)
At 31st August 2016	<u>(3,311)</u>

23. Deferred tax

The deferred tax included in the company statement of financial position is as follows:

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Included in provisions (note 22)	<u>20,557</u>	<u>29,928</u>	<u>(3,311)</u>	<u>(98)</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Accelerated capital allowances	20,557	34,369	(3,311)	(37)
Unused tax losses	–	(4,441)	–	(61)
	<u>20,557</u>	<u>29,928</u>	<u>(3,311)</u>	<u>(98)</u>

24. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £57,245 (2015: £43,466).

Included within current liabilities is £1,610 (2015: £1,609) relating to pension contributions.

Coopers Chemist Marske Limited

Notes to the Financial Statements *(continued)*

Year ended 31st August 2016

25. Financial instruments

The carrying amount for each category of financial instrument is as follows:

Financial assets that are debt instruments measured at amortised cost

	Group	
	2016	2015
	£	£
Financial assets	<u>2,402,810</u>	<u>2,235,564</u>

Financial liabilities measured at amortised cost

	Group	
	2016	2015
	£	£
Financial liabilities	<u>1,650,164</u>	<u>1,835,223</u>

Financial assets measured at amortised cost comprise cash at bank and in hand, accrued income, trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, corporation tax, other taxation and social security and other creditors.

26. Called up share capital

Authorised share capital

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	5,000	5,000	5,000	5,000
10% Preference shares of £1 each	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
	<u>205,000</u>	<u>205,000</u>	<u>205,000</u>	<u>205,000</u>

Issued, called up and fully paid

	2016		2015	
	No.	£	No.	£
Amounts presented in equity:				
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
Amounts presented in liabilities:				
10% Preference shares of £1 each	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>

Preference shares pay an annual dividend of 10%. Preference shareholders do not have any voting rights. In the event of liquidation, the surplus assets available to the company's members after payment of all liabilities will be paid to preference shareholders ahead of ordinary shareholders.

Coopers Chemist Marske Limited

Notes to the Financial Statements (continued)

Year ended 31st August 2016

27. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

28. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Not later than 1 year	154,429	143,912	44,500	43,794
Later than 1 year and not later than 5 years	604,216	567,548	178,000	175,176
Later than 5 years	1,398,828	1,032,811	190,500	230,764
	<u>2,157,473</u>	<u>1,744,271</u>	<u>413,000</u>	<u>449,734</u>

29. Related party transactions

Group

During the year directors, Mrs L Cooper and Mrs J Cooper, each received £12,800 (2015 - £12,800) as payment for property rent.

Group companies paid the following dividends to the directors:

Mr J Cooper £1,042 (2015: £625).
Mr D Cooper £1,042 (2015: £625).
Mrs L Cooper £25,000 (2015: £15,000).
Mrs J Cooper £25,000 (2015: £15,000).
Mrs S Cooper £20,000 (2015: £20,000).

At the balance sheet date, the following amounts were owed to directors:

Mr J Cooper: £937 (2015: £3,261).
Mr D Cooper: £2,613 (2015: £2,613).
Mrs S Cooper £833 (2015: £nil).

Loans from directors are interest free and repayable on demand.

Mr J Cooper has provided personal guarantees in respect of certain company hire purchase contracts. At the balance sheet date, the net amount due under these contracts amounted to £40,290 (2015: £49,715).

Long term liabilities include £nil (2015: £45,685) owed to Scott-Chem Limited, a company controlled by Mr N Gupta who is a director of subsidiary undertaking, Clevechem Limited.

Coopers Chemist Marske Limited

Notes to the Financial Statements *(continued)*

Year ended 31st August 2016

29. Related party transactions *(continued)*

Company

The company paid £35,794 (2015 - £35,794) rent to a Trust for whom the beneficiary is Mrs S Cooper.

The company received rent totalling £15,583 (2015 - £15,583) on a property jointly owned by Mr J Cooper and Mrs L Cooper.

The company paid rent totalling £17,000 (2015 - £17,000) on a property jointly owned by Mr J Cooper and Mrs L Cooper.

30. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The group and the company transitioned to FRS 102 on 1st September 2014.

Reconciliation of equity

Group	1st September 2014			31st August 2015		
	As previously stated £	Effect of FRS 102 (as transition £	restated) £	As previously stated £	Effect of FRS 102 (as transition £	restated) £
Fixed assets	2,051,739	–	2,051,739	1,983,708	–	1,983,708
Current assets	3,286,234	–	3,286,234	3,124,116	–	3,124,116
Creditors: amounts falling due within one year	(1,743,126)	–	(1,743,126)	(1,787,816)	–	(1,787,816)
Net current assets	1,543,108	–	1,543,108	1,336,300	–	1,336,300
Total assets less current liabilities	3,594,847	–	3,594,847	3,320,008	–	3,320,008
Creditors: amounts falling due after more than one year	(650,110)	–	(650,110)	(394,095)	–	(394,095)
Provisions	(16,844)	–	(16,844)	(29,928)	–	(29,928)
Net assets	2,927,893	–	2,927,893	2,895,985	–	2,895,985
Capital and reserves	2,927,893	–	2,927,893	2,895,985	–	2,895,985

Reconciliation of equity

No transitional adjustments were required for the company.

Coopers Chemist Marske Limited

Notes to the Financial Statements *(continued)*

Year ended 31st August 2016

30. Transition to FRS 102 *(continued)*

Reconciliation of profit or loss for the year

	Year ended 31st August 2015		
	As previously stated	Effect of FRS 102 (as transition	restated)
	£	£	£
Turnover	8,938,544	–	8,938,544
Cost of sales	(6,102,585)	–	(6,102,585)
Gross profit	2,835,959	–	2,835,959
Administrative expenses	(2,786,905)	37,176	(2,749,729)
Other operating income	38,637	–	38,637
Operating profit	87,691	37,176	124,867
Other interest receivable and similar income	2,019	–	2,019
Interest payable and similar charges	(38,841)	–	(38,841)
Tax on profit on ordinary activities	(81,203)	–	(81,203)
Profit for the financial year	(30,334)	37,176	6,842

As a result of the transition to FRS 102, gains on the revaluation of investment property that were previously recognised in the revaluation reserve are now recognised through profit or loss. In the prior year the additional profits were retained in other reserves.

31. Ultimate controlling party

The group is ultimately controlled by Mr J Cooper who is a director and majority shareholder in the parent company.