

**Company registration number: 05814296**

**Gravells Pharmacy Limited**

**Unaudited filleted financial statements**

**30 June 2020**

# **Gravells Pharmacy Limited**

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## **Gravells Pharmacy Limited**

### **Directors and other information**

#### **Directors**

M L Gravelle

J R Thorne

#### **Company number**

05814296

#### **Registered office**

24 Old Road

Llanelli

Carmarthenshire

SA15 3HP

#### **Accountants**

Rimmer & May

19 Murray Street

Llanelli

Carmarthenshire

SA15 1AQ

## **Gravells Pharmacy Limited**

### **Chartered accountants report to the board of directors on the preparation of the unaudited statutory financial statements of Gravells Pharmacy Limited**

**Year ended 30 June 2020**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Gravells Pharmacy Limited for the year ended 30 June 2020 which comprise the statement of financial position and related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the board of directors of Gravells Pharmacy Limited, as a body, in accordance with the terms of our engagement letter dated 4 September 2015. Our work has been undertaken solely to prepare for your approval the financial statements of Gravells Pharmacy Limited and state those matters that we have agreed to state to the board of directors of Gravells Pharmacy Limited as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Gravells Pharmacy Limited and its board of directors as a body for our work or for this report.

It is your duty to ensure that Gravells Pharmacy Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Gravells Pharmacy Limited. You consider that Gravells Pharmacy Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Gravells Pharmacy Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Rimmer & May

Chartered Accountants

19 Murray Street

Llanelli

Carmarthenshire

SA15 1AQ

7 December 2020

# Gravells Pharmacy Limited

## Statement of financial position

30 June 2020

		2020	2019
	Note	£	£
<b>Fixed assets</b>			
Intangible assets	6	468,000	777,000
Tangible assets	7	9,343	19,385
		<u>477,343</u>	<u>796,385</u>
<b>Current assets</b>			
Stocks		58,288	104,759
Debtors	8	2,418,616	1,655,782
Cash at bank and in hand		597,292	9,331
		<u>3,074,196</u>	<u>1,769,872</u>
<b>Creditors: amounts falling due within one year</b>	9	( 412,484)	( 414,267)
<b>Net current assets</b>		<u>2,661,712</u>	<u>1,355,605</u>
<b>Total assets less current liabilities</b>		<u>3,139,055</u>	<u>2,151,990</u>
<b>Net assets</b>		<u>3,139,055</u>	<u>2,151,990</u>
<b>Capital and reserves</b>			
Called up share capital		2,258	2,258
Share premium account		177,375	177,375
Revaluation reserve		404,055	566,300
Profit and loss account		2,555,367	1,406,057
<b>Shareholders funds</b>		<u>3,139,055</u>	<u>2,151,990</u>

For the year ending 30 June 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to

companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

These financial statements were approved by the board of directors and authorised for issue on 07 December 2020 , and are signed on behalf of the board by:

J R Thorne

Director

Company registration number: 05814296

# **Gravells Pharmacy Limited**

## **Notes to the financial statements**

**Year ended 30 June 2020**

### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 24 Old Road, Llanelli, Carmarthenshire, SA15 3HP.

### **2. Statement of compliance**

These financial statements have been prepared in compliance with the provisions of FRS 102, Section 1A, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'

### **3. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets measured at fair value through profit or loss. The financial statements are prepared in sterling, which is the functional currency of the entity.

#### **Consolidation**

The company has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the company and its subsidiary undertakings comprise a small group.

#### **Turnover**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.



## **Taxation**

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

## **Goodwill**

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the companies interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business. Goodwill has been stated at valuation (since being acquired on the incorporation of two pharmacies in 2006) less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

## **Amortisation**

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

Goodwill	-	5 % 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.

## **Tangible assets**

Tangible assets are initially recorded at cost, and is subsequently stated at cost less any accumulated depreciation and any accumulated impairment losses.

## **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:

Short leasehold property	-	7.7 % straight line
Fittings fixtures and equipment	-	25 % reducing balance
Motor vehicles	-	25 % reducing balance

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

## Impairment

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. 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 are 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 stocks to their present location and condition.

## Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Government grants are recognised using the performance model. Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

## Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

## 4. Other operating income

	2020	2019
	£	£
Government grant income	25,000	-
	<hr/>	<hr/>

## 5. Employee numbers

The average number of persons employed by the company during the year amounted to 20 (2019: 25 ).

## 6. Intangible assets

	Goodwill £	Total £
<b>Valuation</b>		
At 1 July 2019	2,220,000	2,220,000
Disposals	(660,000)	(660,000)
	<hr/>	<hr/>
<b>At 30 June 2020</b>	<b>1,560,000</b>	<b>1,560,000</b>
	<hr/>	<hr/>
<b>Amortisation</b>		
At 1 July 2019	1,443,000	1,443,000
Charge for the year	86,250	86,250
Disposals	( 437,250)	( 437,250)
	<hr/>	<hr/>
<b>At 30 June 2020</b>	<b>1,092,000</b>	<b>1,092,000</b>
	<hr/>	<hr/>
<b>Carrying amount</b>		
<b>At 30 June 2020</b>	<b>468,000</b>	<b>468,000</b>
	<hr/>	<hr/>
At 30 June 2019	777,000	777,000
	<hr/>	<hr/>

### Intangible assets held at valuation

In respect of intangible assets held at valuation, the aggregate cost, amortisation and the comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

	£
<b>At 30 June 2020</b>	
Aggregate cost	201,400
Aggregate amortisation	(137,455)
	<hr/>
<b>Carrying amount</b>	<b>63,945</b>
	<hr/>
At 30 June 2019	
Aggregate cost	602,000
Aggregate amortisation	(391,300)
	<hr/>
Carrying amount	210,700
	<hr/>

The company acquired the goodwill of 2 pharmacies on 2006 on incorporation and these were revalued at market value by the directors at that time.

## 7. Tangible assets

	Short leasehold property £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 July 2019	7,054	50,809	18,289	76,152
Disposals	( 7,054)	( 21,754)	-	( 28,808)
<b>At 30 June 2020</b>	<b>-</b>	<b>29,055</b>	<b>18,289</b>	<b>47,344</b>
<b>Depreciation</b>				
At 1 July 2019	1,627	48,689	6,450	56,766
Charge for the year	136	300	3,220	3,656
Disposals	( 1,763)	( 20,658)	-	( 22,421)
<b>At 30 June 2020</b>	<b>-</b>	<b>28,331</b>	<b>9,670</b>	<b>38,001</b>
<b>Carrying amount</b>				
<b>At 30 June 2020</b>	<b>-</b>	<b>724</b>	<b>8,619</b>	<b>9,343</b>
At 30 June 2019	5,427	2,120	11,839	19,386

## 8. Debtors

	2020 £	2019 £
Trade debtors	288,119	423,157
Amounts owed by group undertakings and undertakings in which the company has a participating interest	2,094,616	1,143,873
Other debtors	35,881	88,752
	<b>2,418,616</b>	<b>1,655,782</b>

## 9. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	232,783	341,281
Corporation tax	46,045	46,609
Other creditors	133,656	26,377
	<b>412,484</b>	<b>414,267</b>

## 10. Contingent assets and liabilities

The company's assets are subject to a fixed and floating charge in favour of the National Westminster Bank plc in respect of the borrowings of group companies.

## 11. Related party transactions

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

	Transaction value		Balance owed by/(owed to)	
	2020	2019	2020	2019
	£	£	£	£
Gravelle Thorne Limited	950,743	16,168	2,094,616	1,143,873
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

During the year the company advanced £1,058,743 to its holding company and paid it management charges of £108,000. The balance owing on inter-company account is interest free and repayable on demand. The company hived down one of its pharmacies to a wholly owned subsidiary in exchange for share capital of £1,150,000 and that subsidiary was subsequently sold outside of the group for £1,113,615 net of professional fees.

## 12. Controlling party

The company is controlled by Mr J Thorne and Mrs H Thorne who jointly control the ultimate holding company Thornes Llanelli Limited.

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.