

Purple Orchid Pharma Limited

**Company Registration Number:
07870913 (England and Wales)**

Annual Report and Unaudited Financial Statements for the year ended 31 March 2017



Purple Orchid Pharma Limited

**Company Information
for the Year Ended 31 March 2017**

Company Registration Number: 07870913 (England and Wales)

Director: K J Gardiner

Registered office: 82c East Hill
Colchester
Essex
UK
CO1 2QW

Purple Orchid Pharma Limited
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for the Period Ended 31st March 2017

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Purple Orchid Pharma Limited

**Directors' Report
for the Year Ended 31 March 2017**

The director presents her annual report and financial statements for the year ended 31 March 2017.

Director

The director who has held office during the year and up to the date of signature of the financial statements was as follows:

K J Gardiner

The report has been prepared in accordance with the provision applicable to companies entitled to small companies' exemptions.

On behalf of the board

A handwritten signature in black ink, appearing to read 'Karel Gardiner', is written over a faint, dotted grid pattern.

K J Gardiner
Director
10 October 2017

Purple Orchid Pharma Limited

**Income Statement
for the Year Ended 31 March 2017**

		2017	2016
		£	£
	Notes		
Turnover:		1,213,618	1,019,391
Cost of sales:		<u>(814,989)</u>	<u>(627,250)</u>
Gross profit		<u>398,629</u>	<u>392,141</u>
Distribution costs		13,259	11,837
Administrative expenses		504,828	520,841
Non-recurring expenses	9	232,650	-
Operating loss		<u>(352,108)</u>	<u>(140,537)</u>
Interest payable and similar expenses		<u>-</u>	<u>-</u>
Loss before taxation		<u>(352,108)</u>	<u>(140,537)</u>
Tax on loss		<u>6,210</u>	<u>-</u>
Loss for the financial year		<u>(345,898)</u>	<u>(140,537)</u>

Purple Orchid Pharma Limited

**Statement of financial position
for the Period Ended 31st March 2017**

		2017 £	2016 £
	<i>Notes</i>		
Fixed assets		-	-
Tangible assets	3	1,315	1,073
Total fixed assets		<u>1,315</u>	<u>1,073</u>
Current assets			
Stocks		139,981	214,897
Debtors	4	244,412	732,220
Cash at bank and in hand		<u>1,417</u>	<u>3,033</u>
Total current assets:		<u>385,810</u>	<u>950,150</u>
Creditors: amounts falling due within one year	5	<u>(481,904)</u>	<u>(754,455)</u>
Net current (liabilities)/assets		<u>(96,094)</u>	<u>195,695</u>
Total assets less current liabilities		<u>(94,779)</u>	<u>196,768</u>
Creditors: amounts falling due after more than one year	6	(123,349)	(68,998)
Provision for liabilities		<u>-</u>	<u>-</u>
Net (liabilities)/assets		<u>(218,128)</u>	<u>127,770</u>
Capital and reserves			
Called up share capital		3	3
Profit and loss reserves		<u>(218,131)</u>	<u>127,767</u>
Total equity		<u>(218,128)</u>	<u>127,770</u>

Purple Orchid Pharma Limited

**Statement of financial position
for the Period Ended 31st March 2017
continued**

For the financial year ended 31 March 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The director acknowledges her responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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.

These financial statements have been prepared in accordance with the provision applicable to companies' subject to the small companies' regime.

The financial statements were approved and signed by the director and authorised for issue on 10 October 2017.



K J Gardiner

Director

Company Registration No. 07870913

Purple Orchid Pharma Limited

**Statement of changes in equity
for the Period Ended 31st March 2017**

	Share Capital	Retained Earnings	Total
Balance at 1 April 2015	3	268,304	268,307
Year ended 31 March 2016			
Loss and total comprehensive income for the year	-	(140,537)	(140,537)
Balance at 31 March 2016	3	127,767	127,770
Year ended 31 March 2017			
Loss and total comprehensive income for the year	-	(345,898)	(345,898)
Balance at 31 March 2016	3	(218,131)	(218,128)

Purple Orchid Pharma Limited
Notes to the Financial Statements
for the Period Ended 31st March 2017

1. Accounting policies

Company information

Purple Orchid Pharma Limited is a private company limited by shares incorporated in England and Wales. The registered office is 82C East Hill, Colchester, Essex, UK, CO1 2QW.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show true and fair view.

The financial statements are prepared in sterling, which is functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 March 2017 are the first financial statements of Purple Orchid Pharma Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 8.

1.2 Turnover

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

Revenue from the sale of goods is recognised when the significant risk and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be *measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.*

1.3 Tangible fixed assets

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

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

Fixture and Fittings	25% Reducing Balance
Computers	25% Reducing Balance

Purple Orchid Pharma Limited
Notes to the Financial Statements
for the Period Ended 31st March 2017
continued

1.4 Impairment of fixed assets

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

1.5 Stocks

Stock are stated at the lower of cost and estimated selling price less cost to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

1.6 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at the call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial Instruments

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

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.8 Equity instruments

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

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Purple Orchid Pharma Limited
Notes to the Financial Statements
for the Period Ended 31st March 2017
continued

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recoverable against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing differences arises from goodwill or from the initial recognition of other assets and liabilities on a transaction that affect neither the tax nor the accounting profit.

1.10 Employee benefits

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

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Foreign exchange

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

2. Employees

The average number of persons (including directors) employed by the company during the year was 4 (2016 – 5).

Purple Orchid Pharma Limited
Notes to the Financial Statements
for the Period Ended 31st March 2017
continued

3. Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 April 2016	2,046
Additions	<u>1,092</u>
At 31 March 2017	<u>3,138</u>
Depreciation and impairment	
At 1 April 2016	973
Depreciation charged for the year	<u>850</u>
At 31 March 2017	<u>1,823</u>
Carrying amount	
At 31 March 2017	<u>1,315</u>
At 31 March 2016	<u>1,073</u>

4. Debtors

	2017	2016
	£	£
Amounts falling due within one year		
Trade debtors	230,576	153,609
Prepayments and accrued income	<u>13,836</u>	<u>578,611</u>
	<u>244,412</u>	<u>732,220</u>

5. Creditors: amounts falling due within one year

	2017	2016
	£	£
Bank loans and overdrafts	179,952	125,422
Trade creditors	201,466	622,623
Other taxation and social security	90,704	-
Other creditors	<u>9,781</u>	<u>6,410</u>
	<u>481,904</u>	<u>754,455</u>

A charge exists over all the property and undertakings of the company in favour of RBS Invoice Finance Limited created on 31 March 2015.

Purple Orchid Pharma Limited
Notes to the Financial Statements
for the Period Ended 31st March 2017
continued

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

	2017	2016
	£	£
Bank loans and overdrafts	30,000	-
Other creditors	<u>93,349</u>	<u>68,998</u>
	<u>123,349</u>	<u>68,998</u>

A charge exists over all the property and undertakings of the company in favour of RBS Invoice Finance Limited created on 31 March 2015.

7. Directors' transactions

No guarantee have been given or received during the year.

8. Reconciliation on adoption of FRS 102

Reconciliation of equity

	1 April 2015 £	31 March 2016 £
Equity as reported under previous UK GAAP and under FRS 102	<u>268,304</u>	<u>127,770</u>

Reconciliation of loss for the financial period

	2016 £
Loss as reported under previous UK GAAP and under FRS 102	<u>(140,537)</u>

Notes to reconciliation on adoption of FRS 102

There have been no changes to equity in relation to transition to FRS 102 Section 1A.

9. Non-recurring expenses

A non-recurring expense found on the Income Statement relate to a one off write-off of inter-company loan of £232,650.00.