

M J WILLIAMS LTD

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2017

M J WILLIAMS LTD

COMPANY INFORMATION

Directors

Mr A Williams
Ms M M Liao

Registered number

06732147

Registered office

37 Warren Street
London
W1T 6AD

Accountants

Silver Levene LLP
Chartered Certified Accountants
37 Warren Street
London
W1T 6AD

M J WILLIAMS LTD

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**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors present their report and the financial statements for the year ended 31 December 2017.

Principal activity

The principal activity of the company during the year was that of community pharmacy. The company operates through four (2016 - four) community pharmacies.

Directors

The directors who served during the year were:

Mr A Williams
Ms M M Liao

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.

Mr A Williams
Director

Date: 4 July 2018

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	2016 £
Turnover		2,350,524	2,370,548
Cost of sales		(1,523,201)	(1,552,581)
Gross profit		827,323	817,967
Administrative expenses		(924,154)	(1,390,984)
Other operating income		1,319	1,146
Operating loss		(95,512)	(571,871)
Profit/(loss) on disposal of investments		-	(1)
Interest receivable and similar income		103	201
Interest payable and expenses		(57,467)	(66,664)
Loss before tax		(152,876)	(638,335)
Tax on loss	2	(16,650)	(23,095)
Loss for the financial year		(169,526)	(661,430)

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2017 (2016:£NIL).

The notes on pages 6 to 16 form part of these financial statements.

M J WILLIAMS LTD
REGISTERED NUMBER: 06732147

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets		1,180,356	1,556,784
Tangible assets	5	10,897	10,333
		<u>1,191,253</u>	<u>1,567,117</u>
Current assets			
Stocks	6	116,537	98,106
Debtors: amounts falling due within one year	7	417,433	305,844
Cash at bank and in hand		216,986	362,964
		<u>750,956</u>	<u>766,914</u>
Creditors: amounts falling due within one year	8	(1,240,479)	(1,213,574)
Net current liabilities		<u>(489,523)</u>	<u>(446,660)</u>
Total assets less current liabilities		<u>701,730</u>	<u>1,120,457</u>
Creditors: amounts falling due after more than one year	9	(1,390,391)	(1,612,391)
		<u>(688,661)</u>	<u>(491,934)</u>
Provisions for liabilities			
Deferred taxation	10	(799)	-
		<u>(799)</u>	<u>-</u>
Net assets excluding pension asset		<u>(689,460)</u>	<u>(491,934)</u>
Net liabilities		<u>(689,460)</u>	<u>(491,934)</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		(689,560)	(492,034)
		<u>(689,460)</u>	<u>(491,934)</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.

M J WILLIAMS LTD
REGISTERED NUMBER: 06732147

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2017

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 financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered 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:

Mr A Williams

Director

Date: 4 July 2018

The notes on pages 6 to 16 form part of these financial statements.

M J WILLIAMS LTD

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2016	100	225,396	225,496
Comprehensive income for the year			
Loss for the year	-	(661,430)	(661,430)
Dividends: Equity capital	-	(56,000)	(56,000)
At 1 January 2017	100	(492,034)	(491,934)
Comprehensive income for the year			
Loss for the year	-	(169,526)	(169,526)
Dividends: Equity capital	-	(28,000)	(28,000)
At 31 December 2017	100	(689,560)	(689,460)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

1. Accounting policies

1.1 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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The members have agreed to the preparation of abridged accounts for this accounting period in accordance with Section 444(2A) of the Companies Act 2006.

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.

The following principal accounting policies have been applied:

1.2 Going concern

The financial statements have been prepared on the assumption that the company will have the continued financial support of the shareholders. The shareholders of the company have sufficient resources to finance the company as and when the need arises.

The financial statements have been prepared on a going concern basis which is dependent on the financial support of the shareholders to ensure that the company will continue in operational existence for the foreseeable future.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

1. Accounting policies (continued)

1.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1. Accounting policies (continued)

1.4 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life.

Other 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:

Goodwill	-	7 to 10 years straight line
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1.5 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, on a reducing balance basis.

Depreciation is provided on the following basis:

Delivery vans	- 25% reducing balance
Fixtures & fittings	- 25% reducing balance

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 Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

1. Accounting policies (continued)

1.6 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.

1.7 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

1.8 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income 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.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

1.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

1. Accounting policies (continued)

1.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	15,797	23,149
	<u>15,797</u>	<u>23,149</u>
Total current tax	<u>15,797</u>	<u>23,149</u>
Deferred tax		
Origination and reversal of timing differences	853	(54)
	<u>853</u>	<u>(54)</u>
Total deferred tax	<u>853</u>	<u>(54)</u>
Taxation on profit on ordinary activities	<u>16,650</u>	<u>23,095</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

2. Taxation (continued)

Factors affecting tax charge for the year

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 20%/19% (2016 - 20%).

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

3. Dividends

	2017 £	2016 £
A Ordinary		
Dividends paid	-	28,000
B Ordinary		
Dividends paid	28,000	28,000
	<u>28,000</u>	<u>56,000</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

4. Intangible assets

	Goodwill £
Cost	
At 1 January 2017	3,345,960
At 31 December 2017	<u>3,345,960</u>
Amortisation	
At 1 January 2017	1,789,176
Charge for the year	376,428
At 31 December 2017	<u>2,165,604</u>
Net book value	
At 31 December 2017	<u>1,180,356</u>
At 31 December 2016	<u>1,556,784</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

5. Tangible fixed assets

	Delivery vans £	Fixtures & fittings £	Total £
Cost or valuation			
At 1 January 2017	9,490	36,239	45,729
Additions	1,300	4,750	6,050
At 31 December 2017	10,790	40,989	51,779
Depreciation			
At 1 January 2017	7,052	28,344	35,396
Charge for the year on owned assets	1,138	4,348	5,486
At 31 December 2017	8,190	32,692	40,882
Net book value			
At 31 December 2017	2,600	8,297	10,897
At 31 December 2016	2,438	7,895	10,333

6. Stocks

	2017 £	2016 £
Finished goods and goods for resale	116,537	98,106
	116,537	98,106

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

7. Debtors

	2017 £	2016 £
Trade debtors	224,438	190,590
Other debtors	-	35,241
VAT repayable	187,217	73,893
Deferred taxation	-	54
Prepayments and accrued income	5,778	6,066
	<u>417,433</u>	<u>305,844</u>

8. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank loans	222,000	221,571
Trade creditors	421,565	411,025
Corporation tax	15,797	23,149
Other taxation and social security	6,108	11,435
Directors' loan account	574,894	544,767
Accruals	115	1,627
	<u>1,240,479</u>	<u>1,213,574</u>

9. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Bank loans	1,390,391	1,612,391
	<u>1,390,391</u>	<u>1,612,391</u>

Secured loans

Bank loans are secured by a fixed and floating charge over the assets of the company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

10. Deferred taxation

	2017 £
At beginning of year	54
Charged to profit or loss	(853)
At end of year	<u>(799)</u>

The deferred taxation balance is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	(799)	54
	<u>(799)</u>	<u>54</u>

11. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £619 (2016 - £337).

12. Commitments under operating leases

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	45,818	47,550
	<u>45,818</u>	<u>47,550</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

13. Related party transactions

During the year, the company paid dividends to the following directors:

	2017 £	2016 £
Mr A Williams	-	28,000
Ms M M Liau	28,000	28,000
	<u>28,000</u>	<u>56,000</u>

The directors' loan account balance of Mr A Williams was £287,447 (2016 - £272,384) and Ms M M Liau was £287,447 (2016 - £272,383) at 31 December 2017.

The company operates from one of the four (2016 - four) pharmacy through premises owned by the directors. Rent of £7,078 (2016 - £9,100) was paid by the company to the directors during the year.

14. Controlling party

The company was under the control of the directors Mr A Williams (50% share) and Ms M M Liau (50% share), by virtue of the fact that between them they own 100% of the issued share capital.