
ARLINGTON ROAD HEALTHCARE LLP

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

ARLINGTON ROAD HEALTHCARE LLP

INFORMATION

Designated Members

Community Pharmacies (UK) Limited
Arlington Road Medical LLP

LLP registered number

OC379767

Registered office

2 Peterwood Way, Croydon, Surrey, CR0 4UQ

ARLINGTON ROAD HEALTHCARE LLP

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ARLINGTON ROAD HEALTHCARE LLP

MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The Members present their annual report together with the financial statements of Arlington Road Healthcare LLP (the "LLP") for the year ended 31 March 2022.

Principal activities

The principal activity of the LLP during the year was that of a pharmacy.

Designated Members

The Designated Members who held office during the year ended and up to the date of signature of the financial statements were as follows:

Arlington Road Medical LLP

Community Pharmacies (UK) Limited

Members' capital and interests

Each Member's subscription to the capital of the LLP is determined in accordance with the terms of the LLP Agreement.

Details of changes in Members' capital in the ended 31 March 2022 are set out in the Reconciliation of Members' Interests.

Members are remunerated from the profits of the LLP and are required to make their own provision for tax, pensions and other benefits. Profits are allocated and divided between Members after finalisation of the financial statements. Members may draw a proportion of their profit share monthly during the year in which it is made, with the balance of profits being distributed after the year end, subject to the cash requirements of the business.

This report was approved by the Members on 1 November 2022 and signed on their behalf by:

.....
Community Pharmacies (UK) Limited
Designated Member

ARLINGTON ROAD HEALTHCARE LLP

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Turnover	4	901,834	864,194
Cost of sales		(592,299)	(580,508)
Gross profit		309,535	283,686
Administrative expenses		(285,008)	(243,624)
Operating profit		24,527	40,062
Interest payable and expenses		(4,345)	(4,781)
Profit before tax		20,182	35,281
Profit for the year before members' remuneration and profit shares		20,182	35,281
Profit for the year before members' remuneration and profit shares		20,182	35,281
Members' remuneration charged as an expense		(26,519)	(35,281)
(Loss)/profit for the financial year available for discretionary division among members		(6,337)	-

There was no other comprehensive income for 2022(2021:£NIL).

The notes on pages 7 to 18 form part of these financial statements.

ARLINGTON ROAD HEALTHCARE LLP
REGISTERED NUMBER: OC379767

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	7	2,050	2,072
Tangible assets	8	157,816	169,416
		<u>159,866</u>	<u>171,488</u>
Current assets			
Stocks	9	32,530	36,501
Debtors: amounts falling due within one year	10	98,298	154,298
Cash at bank and in hand	11	2,026	1,453
		<u>132,854</u>	<u>192,252</u>
Creditors: amounts falling due within one year	12	(247,513)	(263,843)
Net current liabilities		<u>(114,659)</u>	<u>(71,591)</u>
Total assets less current liabilities		<u>45,207</u>	<u>99,897</u>
Creditors: amounts falling due after more than one year	13	(129,495)	(157,881)
		<u>(84,288)</u>	<u>(57,984)</u>
Net liabilities		<u><u>(84,288)</u></u>	<u><u>(57,984)</u></u>

ARLINGTON ROAD HEALTHCARE LLP
REGISTERED NUMBER: OC379767

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Represented by:			
Loans and other debts due to members within one year			
Amounts due in respect of profits		117	116
Other amounts		160,955	180,923
		<u>161,072</u>	<u>181,039</u>
Members' other interests			
Members' capital classified as equity	2	2	
Other reserves	(245,362)	(239,025)	
		<u>(245,360)</u>	<u>(239,023)</u>
		<u><u>(84,288)</u></u>	<u><u>(57,984)</u></u>
Total members' interests			
Loans and other debts due to Members		161,072	181,039
Members' other interests		(245,360)	(239,023)
		<u>(84,288)</u>	<u>(57,984)</u>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small LLPs regime.

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006, as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

The Members acknowledge their responsibilities for complying with the requirements of the Companies Act 2006, as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the Members and were signed on their behalf by:

.....
Community Pharmacies (UK) Limited
Designated Member

Date: 1 November 2022

The notes on pages 7 to 18 form part of these financial statements.

ARLINGTON ROAD HEALTHCARE LLP

RECONCILIATION OF MEMBERS' INTERESTS
FOR THE YEAR ENDED 31 MARCH 2022

	EQUITY			DEBT			Total members' interests
	Members' other interests			Loans and other debts due to members less any amounts due from members in debtors			
	Members' capital (classified as equity) £	Other reserves £	Total £	Amounts due in respect of profits £	Other amounts £	Total £	Total £
					206,584		
Amounts due to/(from) Members				(6,636)		199,948	
					206,584		
Balance at 1 April 2020	2	(239,025)	(239,023)	(6,636)		199,948	(39,075)
Members' remuneration charged as an expense	-	-	-	6,752	28,529	35,281	35,281
Drawings	-	-	-	-	(28,529)	(28,529)	(28,529)
Amounts introduced by Members	-	-	-	-	5,339	5,339	5,339
	-	-	-	-	(31,000)		(31,000)
Repayment of debt						(31,000)	
					180,923		
Amounts due to/(from) Members				116		181,039	
					180,922		
Balance at 31 March 2021	2	(239,025)	(239,023)	117		181,039	(57,984)
Loss for the year available for discretionary division among Members	-	(6,337)	(6,337)	-	-	-	(6,337)
Members' remuneration charged as an expense	-	-	-	-	26,519	26,519	26,519
Drawings	-	-	-	-	(26,519)	(26,519)	(26,519)
Amounts introduced by Members	-	-	-	-	1,533	1,533	1,533
	-	-	-	-	(21,500)		(21,500)
Repayment of debt						(21,500)	

	<u>117</u>	<u>160,955</u>	
Amounts due to			
Members		<u>161,072</u>	

ARLINGTON ROAD HEALTHCARE LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

RECONCILIATION OF MEMBERS' INTERESTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Balance at 31		(245,362			160,955		
March 2022	<u>2</u>)	<u>(245,360)</u>	<u>117</u>		<u>161,072</u>	<u>(84,288)</u>

The notes on pages 7 to 18 form part of these financial statements.

There are no existing restrictions or limitations which impact the ability of the Members of the LLP to reduce the amount of Members' other interests.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. General information

Arlington Road Healthcare LLP ("the LLP") is a limited liability partnership incorporated in England and Wales. The registered office is 2 Peterwood Way, Croydon, Surrey, United Kingdom, CR0 4UQ.

The LLP's principal activities and nature of its operations are disclosed in the Members' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the LLP's accounting policies (see note 3).

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

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis which assumes the LLP will continue to be able to meet its financial obligations as they fall due.

The pharmacy continues to trade in line with expectations both financially and operationally. The Members believe the LLP has sufficient current and future cash reserves and facilities available for it to meet its liabilities including financing obligations.

The Members will continue to provide additional financial support to the business, if required, to ensure that it is able to meet its financial obligations as they fall due.

2.3 Turnover

Turnover is shown, net of Value Added Tax, for goods and services provided to customers.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.4 Members' participation rights

Members' participation rights are the rights of a Member against the LLP that arise under the Members' agreement (for example, in respect of amounts subscribed or otherwise contributed, remuneration and profits).

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with section 22 of FRS 102. Members' participation rights, including amounts subscribed or otherwise contributed by members, for example Members' capital, are classed as liabilities unless the LLP has an unconditional right to refuse payment to Members, in which case they are classified as equity.

All amounts due to Members that are classified as liabilities are presented within 'Loans and other debts due to Members' and, where such an amount relates to current year profits, they are recognised within 'Members' remuneration charged as an expense' in arriving at the relevant year's result. Unallocated amounts that are classified as equity are shown within 'Members' other interests'. Amounts recoverable from Members are presented as debtors and shown as amounts due from Members within Members' interests.

Where there exists an asset and liability component in respect of an individual Member's participation rights, they are presented on a gross basis unless the LLP has both a legally enforceable right to set off the recognised amounts and it intends either to settle on a net basis or to settle and realise these amounts simultaneously, in which case they are presented net.

Whilst the Members' agreement does not differentiate between profits and losses for profit sharing purposes, it does stipulate that the LLP cannot demand additional contributions from Members and as a result the LLP does not have an unconditional right to demand payment from Members for losses. Therefore, they are not recognised as a recoverable asset and so remain within equity as other reserves.

Other amounts applied to Members, for example remuneration paid under an employment contract and interest on capital balances, are treated in the same way as all other divisions of profits, as described above, according to whether the LLP has, in each case, an unconditional right to refuse payment. Amounts payable to Members under employment contracts and unavoidable interest on Members capital are charged to "Members remuneration charged as an expense" in the relevant year.

2.5 Operating leases: the LLP as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

2.6 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.7 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.8 Pensions

Defined contribution pension plan

The LLP operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the LLP pays fixed contributions into a separate entity. Once the contributions have been paid the LLP 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 Statement of Financial Position. The assets of the plan are held separately from the LLP in independently administered funds.

2.9 Intangible assets

Intangible assets comprise a licence to trade as a pharmacy. Intangible assets are stated at cost less

amortisation and are reviewed for impairment whenever there is an indication that the carrying value may be impaired.

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:

Licence	-	100 years
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2.10 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 charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Leasehold property	-	7%	straight-line
Fixtures and fittings	-	20%	straight-line
Computer equipment	-	33%	straight-line

The assets' residual values, useful lives and depreciation methods are reviewed and, if appropriate, adjusted prospectively 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 MARCH 2022

2. Accounting policies (continued)

2.11 Stocks

Stocks are stated at the lower of cost and 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 reporting date, an assessment is made for impairment. Any excess of the carrying amounts of stocks over their estimated selling price less costs to complete and sell is recognised as an impairment loss in the Statement of Comprehensive Income. Reversals of impairment losses are also recognised in the Statement of Comprehensive Income.

2.12 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 Cash and cash equivalents

Cash and cash equivalents include cash in hand and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

2.14 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 Financial instruments

The LLP only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the LLP would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.16 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 LLP is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the LLP's accounting policies, which are described in note 2, the Members are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no critical judgements and estimations that the Members have made in the process of applying the LLP's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

4. Turnover

The whole of the turnover is attributable to be that of retail pharmacy.

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	901,834	864,194
	<u>901,834</u>	<u>864,194</u>

ARLINGTON ROAD HEALTHCARE LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

5. Employees

The average monthly number of persons (including Members with contracts of employment) employed during the year was as follows:

	2022 No.	2021 No.
Pharmacy staff	<u>9</u>	<u>9</u>

6. Information in relation to Members

	2022 £	2021 £
Remuneration paid under an employment contract	9,006	8,637
Remuneration under participation rights	-	6,752
Mandatory interest payments	17,513	19,892
	<u>26,519</u>	<u>35,281</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

7. Intangible assets

	Licence £
Cost	
At 1 April 2021	2,101
At 31 March 2022	2,101
Amortisation	
At 1 April 2021	29
Charge for the year on owned assets	22
At 31 March 2022	51
Net book value	
At 31 March 2022	2,050
At 31 March 2021	2,072

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

8. Tangible fixed assets

	Leasehold property £	Fixtures and fittings and Computer equipment £	Total £
Cost			
At 1 April 2021	244,381	21,447	265,828
Additions	-	2,825	2,825
At 31 March 2022	244,381	24,272	268,653
Depreciation			
At 1 April 2021	74,965	21,447	96,412
Charge for the year on owned assets	14,132	293	14,425
At 31 March 2022	89,097	21,740	110,837
Net book value			
At 31 March 2022	155,284	2,532	157,816
At 31 March 2021	169,416	-	169,416

9. Stocks

	2022 £	2021 £
Finished goods and goods for resale	32,530	36,501
	32,530	36,501

Stock recognised as an expense in cost of sales during the year was £592,299 (2021- £580,508).

ARLINGTON ROAD HEALTHCARE LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

10. Debtors

	2022 £	2021 £
Trade debtors	75,659	139,015
Other debtors	14,131	11,836
Prepayments and accrued income	8,508	3,447
	<u>98,298</u>	<u>154,298</u>

11. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	2,026	1,453
Less: bank overdrafts	(55,341)	(53,799)
	<u>(53,315)</u>	<u>(52,346)</u>

12. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank overdrafts	55,341	53,799
Bank loans (Note 13)	28,721	25,140
Trade creditors	148,799	126,246
Other taxation and social security	4,205	4,198
Other creditors	6,349	7,013
Accruals and deferred income	4,098	9,224
Government grants repayable	-	38,223
	<u>247,513</u>	<u>263,843</u>

Bank loans and overdrafts for which security has been given amounted to £84,062 (2021- £78,939).

ARLINGTON ROAD HEALTHCARE LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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

	2022 £	2021 £
Bank loans	129,495	157,881
	<u>129,495</u>	<u>157,881</u>

The aggregate amount of creditors, falling due after more than one year, for which security has been given amounted to £129,495 (2021- £157,881).

The bank loan is repayable by equal monthly instalments. Interest will be charged at 2% per annum over the Base Rate.

The following securities have been given:

- (a) Debenture comprising fixed and floating charges over all the assets and undertaking of the LLP, both present and future,
- (b) Guarantee in favour of the Bank from Day Lewis Plc guaranteeing all liabilities of the LLP limited to £125,000,
- (c) Guarantee in favour of the Bank from Dr. R W Deery, Dr. P G Williams, Dr. M J Jones, Dr. R D Higgs, Dr. P A Frisby, Dr. D A Davidson and Dr. J A Lofts guaranteeing all liabilities of the LLP limited to £125,000.

Included within creditors falling due after more than one year is an amount of £nil (2021- £nil) in respect of liabilities which fall due for payment after more than five years from the Balance Sheet date.

14. Loans and other debts due to Members

In the event of a winding up the amounts included in "Loans and other debts due to Members" will rank equally with unsecured creditors.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

15. Loans

Analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year		
Bank loans	28,721	25,140
	<u>28,721</u>	<u>25,140</u>
Amounts falling due 1-2 years		
Bank loans	28,721	25,140
	<u>28,721</u>	<u>25,140</u>
Amounts falling due 2-5 years		
Bank loans	100,774	132,741
	<u>100,774</u>	<u>132,741</u>
	<u>158,216</u>	<u>183,021</u>

16. Financial instruments

	2022 £	2021 £
Financial assets		
Financial assets measured at fair value	<u>2,026</u>	<u>1,453</u>
Financial liabilities		
Financial liabilities measured at fair value	<u>(213,557)</u>	<u>(236,820)</u>

17. Pension commitments

The LLP operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the LLP in an independently administered fund. The pension cost charge represents contributions payable by the LLP to the fund and amounted to £3,766 (2021- £1,608). Contributions totalling £711 (2021- £455) were payable to the fund at the Balance Sheet date and are included in creditors.

ARLINGTON ROAD HEALTHCARE LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

18. Commitments under operating leases

At 31 March 2022 the LLP had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	9,222	8,762
Later than 1 year and not later than 5 years	36,889	35,049
Later than 5 years	91,590	95,784
	<u>137,701</u>	<u>139,595</u>

19. Related party transactions

Community Pharmacies (UK) Limited is a designated Member.

During the year management charges payable to Community Pharmacies (UK) Limited amounted to £9,006 (2021- £8,637).

During the year expenses totalling £35,495 (2021- £59,475) were paid by Community Pharmacies (UK) Limited. As at 31 March 2022 the LLP owed £3,955 to (2021- £2,422 owed to) Community Pharmacies (UK) Limited.

Other debts due to Members include £117,000 (2021- £138,500) owed to Community Pharmacies (UK) Limited. Interest charged on the loan during the year amounted to £13,113 (2021- £15,492).

Arlington Road Medical LLP is a designated Member.

The LLP rents the pharmacy property from certain Members of Arlington Road Medical LLP. The total expense during the period was £8,877 (2021- £8,762).

Other debts due to Members include £40,000 (2021- £40,000) owed to Arlington Road Medical LLP. Interest charged on the loan during the year amounted to £4,400 (2021- £4,400).

During the year the LLP made purchases totalling £320,967 (2021- £243,646) from Day Lewis Medical Limited, a fellow subsidiary of the parent company of Community Pharmacies (UK) Limited, Day Lewis Plc. As at 31 March 2022 the LLP owed £54,680 (2021- £40,034) to Day Lewis Medical Limited.

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