

Company registration number 03359402 (England and Wales)

CHASE PHARMACY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

CHASE PHARMACY LIMITED

COMPANY INFORMATION

Director	Mr A S Johal
Secretary	Mrs B K Johal
Company number	03359402
Registered office	32 De Montfort Street Leicester Leicestershire United Kingdom LE1 7GD
Auditor	De Montfort Advisory Limited T/A Pinnacle Accountants 32 De Montfort Street Leicester Leicestershire United Kingdom LE1 7GD
Business address	9 Church Lane Knighton Leicester Leicestershire LE2 3WG

CHASE PHARMACY LIMITED

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CHASE PHARMACY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The director presents the strategic report for the year ended 31 December 2022.

Review of the business

The group continues to trade successfully, and looking at efficiencies within the business. The acquisitions of the pharmacy last year has been integrated within the group and is delivering as expected with our commitment to customer service, combined with our investment in staff, we strive to provide the best possible healthcare to all the local communities in which we operate and serve.

Principal risks and uncertainties

- The group operate in a highly regulated environment and any significant changes to those regulation could have impact on the business, adverse or otherwise. The director and the management of the company engage with relevant organisations, and constantly review any changes to regulations.
- The potential risk of reduced margin due to the increased costs of drug purchases. Drug tariff have not yet fully updated to allow for increased costs of drug purchases. The company continue to find new suppliers and place bigger orders to get better price.
- Group only has one customer. All prescriptions are paid by NHS. Company continue to work work pharmacist to ensure only correct and completed prescriptions are uploaded for payment.
- Staff recruitment like in other industries is challenging and this can have an impact on the business but the business is coping well. Staff and other overheads are on an upward trend with inflation in double digits, this will have an impact on trading and the business is looking at ways to mitigate these as much as possible. Similarly supplies are challenging, however the business has managed this and has not affected business. With the cost-of-living head winds, times ahead are expected to be challenging.

Development and performance

Group is exploring new technologies to utilise artificial intelligence to stream line prescription process.

Key performance indicators

- Turnover - Turnover for the year has increased to £13.26m (2021 - £11.40m)
- Gross profit margin - Gross profit margin has reduced to 31% (2021 - 37%)
- Earnings before depreciation, interest, amortisation and taxation - EBIDTA is .974m (2021 - 1.737m)
- Debtors days - Debtors days have reduced to 28 days (2021 - 30days)
- Stock days - Stock days have reduced to 36 days (2021 - 38 days)
- Creditors days - Creditors days reduced to 83 days (2021 - 94 days)

On behalf of the board

Mr A S Johal
Director

31 January 2024

CHASE PHARMACY LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The director presents his annual report and financial statements for the year ended 31 December 2022.

Principal activities

The principal activity of the company and group continued to be that of retailing, and dispensing of pharmaceutical and related products.

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid. The director does not recommend payment of a further dividend.

Director

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

Mr A S Johal

Financial instruments

The Group's financial instruments comprise cash and bank, trade debtors and trade creditors that arises directly from operations, and bank and other loans. The financial risks affecting the Group are monitored and reviewed by the directors on a regular basis.

Liquidity risk

The Group manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the Group has sufficient liquid resources to meet the operating needs of the business.

Interest rate risk

The Group finances some of its operations through bank funding, therefore there is a potential risk from an increase in interest rates on those facilities. The directors monitor any changes in interest rates so that action can be taken in a timely manner if necessary.

Credit risk

The Group has no significant credit risk as the majority of the Group's trade receivables balance is with government backed agencies.

Auditor

The auditor, De Montfort Advisory Limited T/A Pinnacle Accountants, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

Medium-sized companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

CHASE PHARMACY LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

On behalf of the board

Mr A S Johal
Director

31 January 2024

CHASE PHARMACY LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CHASE PHARMACY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHASE PHARMACY LIMITED

Opinion

We have audited the financial statements of Chase Pharmacy Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2022 and of the group's loss 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

CHASE PHARMACY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF CHASE PHARMACY LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the director's report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the director is responsible for assessing the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the parent company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

CHASE PHARMACY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CHASE PHARMACY LIMITED

Extent to which the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.
- We identified the following areas as those most likely to have such an effect: health and safety; General Data Protection Regulation (GDPR); fraud; bribery and corruption, and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. The identified actual or suspected non-compliance was not sufficiently significant to our audit to result in our response being identified as a key audit matter.
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102 and the Companies Act 2006) and the relevant tax compliance regulations in the UK.
- We considered the nature of the industry, the control environment and business performance, including the key drivers for management's remuneration;
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

CHASE PHARMACY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF CHASE PHARMACY LIMITED

Harendra Kishorlal Shah (FCCA) (Senior Statutory Auditor)
For and on behalf of De Montfort Advisory Limited T/A Pinnacle
Accountants

31 January 2024

Chartered Certified Accountants
Statutory Auditor

32 De Montfort Street
Leicester
Leicestershire
United Kingdom
LE1 7GD

CHASE PHARMACY LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Turnover	3	13,258,202	11,396,821
Cost of sales		(9,091,037)	(7,160,090)
Gross profit		4,167,165	4,236,731
Administrative expenses		(4,517,374)	(3,836,650)
Other operating income		21,412	19,522
Operating (loss)/profit	4	(328,797)	419,603
Interest payable and similar expenses	7	(266,499)	(150,019)
(Loss)/profit before taxation		(595,296)	269,584
Tax on (loss)/profit	8	(42,040)	(117,969)
(Loss)/profit for the financial year	23	(637,336)	151,615

(Loss)/profit for the financial year is all attributable to the owners of the parent company.

The notes on pages 17 to 33 form part of these financial statements.

CHASE PHARMACY LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
(Loss)/profit for the year	(637,336)	151,615
Other comprehensive income	-	-
Total comprehensive income for the year	(637,336)	151,615

Total comprehensive income for the year is all attributable to the owners of the parent company.

The notes on pages 17 to 33 form part of these financial statements.

CHASE PHARMACY LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Goodwill	10		6,134,505		7,311,935
Tangible assets	11		341,396		307,028
Investment property	12		2,452,000		2,452,000
Investments	13		300,000		300,000
			<u>9,227,901</u>		<u>10,370,963</u>
Current assets					
Stocks	15	902,158		748,069	
Debtors	16	1,900,480		1,334,936	
Cash at bank and in hand		223,836		731,945	
		<u>3,026,474</u>		<u>2,814,950</u>	
Creditors: amounts falling due within one year	17	(3,186,938)		(2,694,960)	
Net current (liabilities)/assets			<u>(160,464)</u>		<u>119,990</u>
Total assets less current liabilities			<u>9,067,437</u>		<u>10,490,953</u>
Creditors: amounts falling due after more than one year	18		(7,888,657)		(8,674,225)
Provisions for liabilities					
Deferred tax liability		51,016		51,628	
		<u>(51,016)</u>		<u>(51,628)</u>	
Net assets			<u><u>1,127,764</u></u>		<u><u>1,765,100</u></u>
Capital and reserves					
Called up share capital	22		2		2
Profit and loss reserves	23		1,127,762		1,765,098
Total equity			<u><u>1,127,764</u></u>		<u><u>1,765,100</u></u>

The notes on pages 17 to 33 form part of these financial statements.

These financial statements have been prepared in accordance with the provisions relating to medium-sized groups.

The financial statements were approved and signed by the director and authorised for issue on 31 January 2024

Mr A S Johal
Director

Company registration number 03359402 (England and Wales)

CHASE PHARMACY LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Investment property	12		2,452,000		2,452,000
Investments	13		558,868		558,868
			<u>3,010,868</u>		<u>3,010,868</u>
Current assets					
Debtors	16	517,001		113,000	
Cash at bank and in hand		4,634		3,912	
		<u>521,635</u>		<u>116,912</u>	
Creditors: amounts falling due within one year	17	(995,709)		(470,589)	
Net current liabilities			<u>(474,074)</u>		<u>(353,677)</u>
Total assets less current liabilities			2,536,794		2,657,191
Creditors: amounts falling due after more than one year	18		(2,154,173)		(2,257,135)
Provisions for liabilities					
Deferred tax liability		48,568		48,568	
		<u>48,568</u>		<u>48,568</u>	
Net assets			<u>334,053</u>		<u>351,488</u>
Capital and reserves					
Called up share capital	22		2		2
Profit and loss reserves	23		334,051		351,486
Total equity			<u>334,053</u>		<u>351,488</u>

The notes on pages 17 to 33 form part of these financial statements.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £17,435 (2021 - £6,879 profit).

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

The financial statements were approved and signed by the director and authorised for issue on 31 January 2024

Mr A S Johal
Director

Company registration number 03359402 (England and Wales)

CHASE PHARMACY LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 January 2021		2	1,643,483	1,643,485
Year ended 31 December 2021:				
Profit and total comprehensive income		-	151,615	151,615
Dividends	9	-	(30,000)	(30,000)
Balance at 31 December 2021		2	1,765,098	1,765,100
Year ended 31 December 2022:				
Loss and total comprehensive income		-	(637,336)	(637,336)
Balance at 31 December 2022		2	1,127,762	1,127,764

The notes on pages 17 to 33 form part of these financial statements.

CHASE PHARMACY LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 January 2021		2	374,607	374,609
Year ended 31 December 2021:				
Profit and total comprehensive income for the year		-	6,879	6,879
Dividends	9	-	(30,000)	(30,000)
Balance at 31 December 2021		2	351,486	351,488
Year ended 31 December 2022:				
Profit and total comprehensive income		-	(17,435)	(17,435)
Balance at 31 December 2022		2	334,051	334,053

The notes on pages 17 to 33 form part of these financial statements.

CHASE PHARMACY LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	28	481,917		1,006,052	
Interest paid		(266,499)		(150,019)	
Income taxes paid		(59,739)		(21,958)	
Net cash inflow from operating activities		<u>155,679</u>		<u>834,075</u>	
Investing activities					
Purchase of business		-	(1,401,048)		
Purchase of tangible fixed assets		(160,263)	(236,345)		
Proceeds from disposal of investments		-	(300,000)		
Net cash used in investing activities		<u>(160,263)</u>		<u>(1,937,393)</u>	
Financing activities					
Repayment of bank loans		(508,804)	777,770		
Payment of finance leases obligations		5,328	(10,460)		
Dividends paid to equity shareholders		-	(30,000)		
Net cash (used in)/generated from financing activities		<u>(503,476)</u>		<u>737,310</u>	
Net decrease in cash and cash equivalents		<u>(508,060)</u>		<u>(366,008)</u>	
Cash and cash equivalents at beginning of year		731,896		1,097,904	
Cash and cash equivalents at end of year		<u><u>223,836</u></u>		<u><u>731,896</u></u>	
Relating to:					
Cash at bank and in hand		223,836		731,945	
Bank overdrafts included in creditors payable within one year		-		(49)	
		<u><u>-</u></u>		<u><u>(49)</u></u>	

The notes on pages 17 to 33 form part of these financial statements.

CHASE PHARMACY LIMITED

COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	29	160,554	453,431
Interest paid		(66,490)	(40,665)
Net cash inflow from operating activities		94,064	412,766
Investing activities			
Proceeds from disposal of investments		-	(300,000)
Net cash used in investing activities		-	(300,000)
Financing activities			
Repayment of bank loans		(93,342)	(87,500)
Dividends paid to equity shareholders		-	(30,000)
Net cash used in financing activities		(93,342)	(117,500)
Net increase/(decrease) in cash and cash equivalents		722	(4,734)
Cash and cash equivalents at beginning of year		3,912	8,646
Cash and cash equivalents at end of year		4,634	3,912

The notes on pages 17 to 33 form part of these financial statements.

CHASE PHARMACY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Chase Pharmacy Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is .

The group consists of Chase Pharmacy Limited and all of its subsidiaries.

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.

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

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

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Chase Pharmacy Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

CHASE PHARMACY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

1.4 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks 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.

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is ten years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.7 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 bases:

Leasehold improvements	15% on cost
Fixtures and fittings	20% on cost
Motor vehicles	25% on cost

CHASE PHARMACY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.8 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

Property rented to a group entity is accounted for at fair value with changes in fair value recognised in profit or loss.

1.9 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.10 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

CHASE PHARMACY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a 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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.11 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs 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.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.12 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at 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.

1.13 Financial instruments

The group has elected to apply the provisions 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

CHASE PHARMACY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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 group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

CHASE PHARMACY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.14 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.15 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group'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 recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

CHASE PHARMACY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.16 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 company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.17 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.18 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.19 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 in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover

The total turnover of the company, as shown in the profit and loss account, represents amounts derived from the sale of goods, dispensing medicines, and associated services wholly in the United Kingdom, exclusive of value added tax.

CHASE PHARMACY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

4 Operating (loss)/profit

	2022 £	2021 £
Operating (loss)/profit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	125,895	88,291
Amortisation of intangible assets	1,177,430	1,229,436
Operating lease charges	109,817	105,514
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	1,649	1,650
Audit of the financial statements of the company's subsidiaries	6,140	7,450
	<u> </u>	<u> </u>
	7,789	9,100
	<u> </u>	<u> </u>

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
117	88	2	2
<u> </u>	<u> </u>	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	1,628,396	1,270,191	-	-
Social security costs	112,883	83,548	-	-
Pension costs	34,285	37,447	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	1,775,564	1,391,186	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

CHASE PHARMACY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

7 Interest payable and similar expenses

	2022	2021
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	265,914	148,883
Other finance costs:		
Other interest	585	1,136
Total finance costs	266,499	150,019

8 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	42,652	131,684
Deferred tax		
Origination and reversal of timing differences	(612)	(13,715)
Total tax charge	42,040	117,969

The actual charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022	2021
	£	£
(Loss)/profit before taxation	(595,296)	269,584
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 019% (2021: 19.00%)	(113,106)	51,221
Permanent capital allowances in excess of depreciation	(40,984)	-
Depreciation on assets not qualifying for tax allowances	23,308	4,183
Amortisation on assets not qualifying for tax allowances	172,822	62,565
Taxation charge	42,040	117,969

9 Dividends

	2022	2021
	£	£
Recognised as distributions to equity holders:		
Interim paid	-	30,000

CHASE PHARMACY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

10 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 January 2022 and 31 December 2022	13,102,640
Amortisation and impairment	
At 1 January 2022	5,790,705
Amortisation charged for the year	1,177,430
At 31 December 2022	6,968,135
Carrying amount	
At 31 December 2022	6,134,505
At 31 December 2021	7,311,935

The company had no intangible fixed assets at 31 December 2022 or 31 December 2021.

11 Tangible fixed assets

Group	Leasehold improvements £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 January 2022	210,709	1,073,576	49,440	1,333,725
Additions	-	149,707	10,556	160,263
At 31 December 2022	210,709	1,223,283	59,996	1,493,988
Depreciation and impairment				
At 1 January 2022	203,521	787,139	36,037	1,026,697
Depreciation charged in the year	2,334	114,866	8,695	125,895
At 31 December 2022	205,855	902,005	44,732	1,152,592
Carrying amount				
At 31 December 2022	4,854	321,278	15,264	341,396
At 31 December 2021	7,188	286,437	13,403	307,028

The company had no tangible fixed assets at 31 December 2022 or 31 December 2021.

CHASE PHARMACY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Investment property

	Group 2022 £	Company 2022 £
Fair value		
At 1 January 2022 and 31 December 2022	2,452,000	2,452,000

Investment property comprises land and buildings. The fair value of the investment properties has been arrived at on the basis of a valuation carried out at 31 December 2021 by the directors. In the opinion of the directors, the valuation at the 31 December 2021 is not materially different to the cost at the time of their acquisition.

The carrying value of land and buildings comprises:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Freehold	2,452,000	2,452,000	-	2,452,000

13 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	14	-	-	258,868	258,868
Listed investments		300,000	300,000	300,000	300,000
		300,000	300,000	558,868	558,868

Movements in fixed asset investments

Group	Investments £
Cost or valuation	
At 1 January 2022 and 31 December 2022	300,000
Carrying amount	
At 31 December 2022	300,000
At 31 December 2021	300,000

CHASE PHARMACY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Fixed asset investments (Continued)

Movements in fixed asset investments Company	Shares in subsidiaries £	Other investments £	Total £
Cost or valuation			
At 1 January 2022 and 31 December 2022	258,868	300,000	558,868
Carrying amount			
At 31 December 2022	258,868	300,000	558,868
At 31 December 2021	258,868	300,000	558,868

14 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct	Indirect
Saffron Apothecaries (Leicester) Ltd	16 Central Street, Countesthorpe, LE8 5QJ	Ordinary	100.00	-
D.M.H. Pharm Ltd	16 Central Street, Countesthorpe, LE8 5QJ	Ordinary	-	100.00
Millennium Pharmacy Ltd	16 Central Street, Countesthorpe, LE8 5QJ	Ordinary	-	100.00

15 Stocks

	Group 2022 £	2021 £	Company 2022 £	2021 £
Finished goods and goods for resale	902,158	748,069	-	-

16 Debtors

	Group 2022 £	2021 £	Company 2022 £	2021 £
Amounts falling due within one year:				
Trade debtors	999,660	924,140	-	-
Other debtors	897,705	407,681	517,001	113,000
Prepayments and accrued income	3,115	3,115	-	-
	1,900,480	1,334,936	517,001	113,000

CHASE PHARMACY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

17 Creditors: amounts falling due within one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans and overdrafts	19	446,051	162,718	95,335	85,715
Obligations under finance leases	20	5,980	7,270	-	-
Trade creditors		2,061,136	1,840,252	-	-
Amounts owed to group undertakings		10,008	-	692,284	356,284
Corporation tax payable		186,157	203,244	1,865	1,865
Other taxation and social security		25,143	26,675	-	-
Other creditors		411,323	364,998	202,987	24,987
Accruals and deferred income		41,140	89,803	3,238	1,738
		<u>3,186,938</u>	<u>2,694,960</u>	<u>995,709</u>	<u>470,589</u>

18 Creditors: amounts falling due after more than one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans and overdrafts	19	7,869,672	8,661,858	2,154,173	2,257,135
Obligations under finance leases	20	18,985	12,367	-	-
		<u>7,888,657</u>	<u>8,674,225</u>	<u>2,154,173</u>	<u>2,257,135</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	4,343,029	8,873,070	-	4,436,535
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19 Loans and overdrafts

	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans	8,315,723	8,824,527	2,249,508	2,342,850
Bank overdrafts	-	49	-	-
	<u>8,315,723</u>	<u>8,824,576</u>	<u>2,249,508</u>	<u>2,342,850</u>
Payable within one year	446,051	162,718	95,335	85,715
Payable after one year	7,869,672	8,661,858	2,154,173	2,257,135

The long-term loans are secured by first charges over the freehold properties of the group, by joint and several personal guarantees of the shareholders (who are also the directors) of the company, and by debentures and cross guarantees granted by the subsidiaries within the group.

CHASE PHARMACY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

19 Loans and overdrafts

(Continued)

Interest on bank loans of £4,807,364 is charged at 1.6% over the Bank of England base rate. These loans are repayable over 5 years with a 15 year amortisation profile (13 years remaining).

Interest on bank loans of £2,380,350 is charged at 1.6% over the Bank of England base rate. These loans are repayable over 5 years with a 20 year amortisation profile (17 years remaining).

Interest on bank loans of £709,627 is charged at 2.16% over the Bank of England base rate. These loans are repayable over 5 years with a 15 year amortisation profile (14 years remaining).

Government backed Bounce Back loans of £100,000 taken out in June 2020 are interest free for the first twelve months, then repayable over five years at fixed interest rate of 2.5%.

Other non-commercial bank loans amounting to £49,416 are at weighted average interest rate of 19.9%. Amounts repayable within 12 months on these loans is £39,416.

20 Finance lease obligations

	Group 2022 £	2021 £	Company 2022 £	2021 £
Future minimum lease payments due under finance leases:				
Within one year	5,979	7,270	-	-
In two to five years	18,986	12,367	-	-
	<u>24,965</u>	<u>19,637</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is four years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

All finance leases are secured over the assets to which they relate.

21 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>34,285</u>	<u>37,447</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

22 Share capital

Group and company	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital				
Issued and fully paid				
Ordinary Shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

CHASE PHARMACY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

23 Profit and loss reserves

	Group 2022 £	2021 £	Company 2022 £	2021 £
At the beginning of the year	1,765,098	1,643,483	351,486	374,607
Profit/(loss) for the year	(637,336)	151,615	(17,435)	6,879
Dividends	-	(30,000)	-	(30,000)
At the end of the year	1,127,762	1,765,098	334,051	351,486

24 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Within one year	61,792	61,792	-	-
Between two and five years	247,168	247,168	-	-
In over five years	322,289	384,081	-	-
	631,249	693,041	-	-

25 Related party transactions

Transactions with related parties

The Group has taken advantage available under FRS 102 33.1A not to disclose transactions between the wholly owned subsidiaries within the group. Transactions between Group entities which have been eliminated on consolidation are not disclosed within the financial statements.

26 Controlling party

The ultimate controlling parties are Mr A S Johal and Mrs B K Johal by virtue of their shareholding.

27 Directors' transactions

Dividends totalling £0 (2021 - £15,000) were paid in the year in respect of shares held by the company's directors.

At the year end, companies within the group owed £276,844 (2020 - £531,305) to the directors. The loan is unsecured, interest free and repayable on demand.

CHASE PHARMACY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

28 Cash generated from group operations

	2022 £	2021 £
(Loss)/profit for the year after tax	(637,336)	151,615
Adjustments for:		
Taxation charged	42,040	117,969
Finance costs	266,499	150,019
Amortisation and impairment of intangible assets	1,177,430	1,229,436
Depreciation and impairment of tangible fixed assets	125,895	88,291
Movements in working capital:		
Increase in stocks	(154,089)	(116,050)
Increase in debtors	(565,544)	(238,407)
Increase/(decrease) in creditors	227,022	(376,821)
Cash generated from operations	481,917	1,006,052

29 Cash generated from operations - company

	2022 £	2021 £
(Loss)/profit for the year after tax	(17,435)	6,879
Adjustments for:		
Taxation charged	-	1,614
Finance costs	66,490	40,665
Movements in working capital:		
(Increase)/decrease in debtors	(404,001)	264,216
Increase in creditors	515,500	140,057
Cash generated from operations	160,554	453,431

CHASE PHARMACY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

30 Analysis of changes in net debt - group

	1 January 2022	Cash flows	31 December 2022
	£	£	£
Cash at bank and in hand	731,945	(508,109)	223,836
Bank overdrafts	(49)	49	-
	<u>731,896</u>	<u>(508,060)</u>	<u>223,836</u>
Borrowings excluding overdrafts	(8,824,527)	508,804	(8,315,723)
Obligations under finance leases	(19,637)	(5,328)	(24,965)
	<u>(8,112,268)</u>	<u>(4,584)</u>	<u>(8,116,852)</u>

31 Analysis of changes in net debt - company

	1 January 2022	Cash flows	31 December 2022
	£	£	£
Cash at bank and in hand	3,912	722	4,634
Borrowings excluding overdrafts	(2,342,850)	93,342	(2,249,508)
	<u>(2,338,938)</u>	<u>94,064</u>	<u>(2,244,874)</u>

CHASE PHARMACY LIMITED

PARENT COMPANY PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	£	£
Administrative expenses	(1,945)	(1,842)
Other operating income	51,000	51,000
	<hr/>	<hr/>
Operating profit	49,055	49,158
	<hr/>	<hr/>
Interest payable and similar expenses	(66,490)	(40,665)
	<hr/>	<hr/>
(Loss)/profit before taxation	(17,435)	8,493
	<hr/>	<hr/>
Tax on (loss)/profit	-	(1,614)
	<hr/>	<hr/>
(Loss)/profit for the financial year	<u>(17,435)</u>	<u>6,879</u>

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