

PHARMA-Z LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE PERIOD ENDED 28 FEBRUARY 2021

PHARMA-Z LIMITED

COMPANY INFORMATION

Directors	S Hobbs K R Jacob
Registered number	03891952
Registered office	Merchants Warehouse Castle Street Manchester M3 4LZ
Accountants	MA Partners LLP Chartered Accountants 7 The Close Norwich Norfolk NR1 4DJ

PHARMA-Z LIMITED

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PHARMA-Z LIMITED

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 28 FEBRUARY 2021**

The directors present their report and the financial statements for the period ended 28 February 2021.

Director

The director who served during the period was:

Mrs D M Whyatt (resigned 1 March 2021)

This report was approved by the board on 25 November 2021 and signed on its behalf.

K R Jacob
Director

PHARMA-Z LIMITED

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED
STATUTORY FINANCIAL STATEMENTS OF PHARMA-Z LIMITED
FOR THE PERIOD ENDED 28 FEBRUARY 2021**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Pharma-Z Limited for the period ended 28 February 2021 which comprise the Balance sheet and the related notes from the Company's accounting records and from information and explanations you have given us.

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

This report is made solely to the Board of directors of Pharma-Z Limited, as a body, in accordance with the terms of our engagement letter dated 22 September 2020. Our work has been undertaken solely to prepare for your approval the financial statements of Pharma-Z Limited and state those matters that we have agreed to state to the Board of directors of Pharma-Z Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Pharma-Z Limited and its Board of directors, as a body, for our work or for this report.

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

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

MA Partners LLP

Chartered Accountants

7 The Close

Norwich

Norfolk

NR1 4DJ

25 November 2021

PHARMA-Z LIMITED
REGISTERED NUMBER: 03891952

BALANCE SHEET
AS AT 28 FEBRUARY 2021

	Note	28 February 2021 £	31 December 2019 £
Fixed assets			
Intangible assets	4	318,512	458,088
Tangible assets	5	59,989	90,365
Investments	6	1,000	1,000
		<u>379,501</u>	<u>549,453</u>
Current assets			
Stocks		413,153	447,645
Debtors: amounts falling due within one year	7	1,641,751	872,100
Bank & cash balances		439,487	572,382
		<u>2,494,391</u>	<u>1,892,127</u>
Creditors: amounts falling due within one year	8	(1,014,605)	(1,302,499)
Net current assets		<u>1,479,786</u>	<u>589,628</u>
Total assets less current liabilities		<u>1,859,287</u>	<u>1,139,081</u>
Creditors: amounts falling due after more than one year	9	(320,881)	(118,584)
Provisions for liabilities			
Deferred tax		(3,325)	(7,186)
Net assets		<u><u>1,535,081</u></u>	<u><u>1,013,311</u></u>
Capital and reserves			
Called up share capital		2	2
Profit and loss account		1,535,079	1,013,309
		<u><u>1,535,081</u></u>	<u><u>1,013,311</u></u>

PHARMA-Z LIMITED
REGISTERED NUMBER: 03891952

BALANCE SHEET (CONTINUED)
AS AT 28 FEBRUARY 2021

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the period in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

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

The Company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 November 2021.

K R Jacob
Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 FEBRUARY 2021**

1. General information

Pharma-Z Limited is a private company limited by shares. It is both incorporated and domiciled in England and Wales. The address of its registered office is Merchants Warehouse, Castle Street, Manchester, M3 4LZ.

The Company's principal activity is that of dispensing, retail and wholesale pharmacy. Its principal place of business is Norfolk, England.

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

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis on the grounds that projected income and cash reserves will be more than adequate for the Company's needs. The directors have considered a period of twelve months from the balance sheet, and have factored the impact of coronavirus in their conclusions regarding the Company's ability to continue as a going concern.

2.3 Turnover

Turnover is derived from the sale of retail and wholesale pharmaceuticals. Revenue is recognised when goods are despatched or made available for collection. All revenue is stated net of value added tax.

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Profit and loss account in the same period as the related expenditure.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 FEBRUARY 2021

2. Accounting policies (continued)

2.7 Finance costs

Finance costs are charged to profit or loss 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.

2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.9 Pensions

Defined contribution pension plan

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

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

2.10 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.11 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 FEBRUARY 2021**

2. Accounting policies (continued)

2.12 Intangible assets

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

2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on both a straight line and reducing balance basis.

Depreciation is provided on the following basis:

Leasehold property	- 10% straight line
Fixtures & fittings	- 25% reducing balance
Office equipment	- 33.3% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.14 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 FEBRUARY 2021**

2. Accounting policies (continued)

2.16 Stocks

Stocks are stated at the lower of cost and net realisable value (estimated selling price). Cost is based on the cost of purchase on a first in, first out basis.

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.17 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.

2.18 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.19 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.

2.20 Financial Instruments

The Company 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 and loans to related parties.

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

3. Employees

The average monthly number of employees, including directors, during the period was 53 (2019 - 52).

PHARMA-Z LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 FEBRUARY 2021

4. Intangible assets

	Goodwill £
Cost	
At 1 January 2020	2,827,736
At 28 February 2021	<u>2,827,736</u>
Amortisation	
At 1 January 2020	2,369,648
Charge for the period on owned assets	139,575
At 28 February 2021	<u>2,509,223</u>
Net book value	
At 28 February 2021	<u>318,513</u>
At 31 December 2019	<u>458,088</u>

PHARMA-Z LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 FEBRUARY 2021

5. Tangible fixed assets

	S/Term Leasehold Property £	Motor vehicles £	Fixtures & fittings £	Office equipment £	Total £
Cost or valuation					
At 1 January 2020	177,566	18,241	129,874	52,409	378,090
Additions	-	-	2,750	6,340	9,090
Disposals	-	-	(20,205)	(4,439)	(24,644)
At 28 February 2021	177,566	18,241	112,419	54,310	362,536
Depreciation					
At 1 January 2020	120,494	18,241	113,361	35,629	287,725
Charge for the period on owned assets	13,229	-	5,111	19,405	37,745
Disposals	-	-	(19,055)	(3,868)	(22,923)
At 28 February 2021	133,723	18,241	99,417	51,166	302,547
Net book value					
At 28 February 2021	43,843	-	13,002	3,144	59,989
At 31 December 2019	57,072	-	16,513	16,780	90,365

PHARMA-Z LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 FEBRUARY 2021**

6. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 January 2020	1,000
Net book value	
At 28 February 2021	<u>1,000</u>
<i>At 31 December 2019</i>	<u>1,000</u>

7. Debtors

	28 February 2021 £	31 December 2019 £
Trade debtors	1,172,077	718,006
Other debtors	444,136	131,326
Prepayments and accrued income	25,538	22,768
	<u>1,641,751</u>	<u>872,100</u>

PHARMA-Z LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 FEBRUARY 2021**

8. Creditors: Amounts falling due within one year

	28 February 2021 £	<i>31 December 2019 £</i>
Bank overdrafts	34	-
Bank loans	160,678	631,029
Other loans	183,115	-
Trade creditors	516,449	576,384
Other taxation and social security	139,797	78,605
Other creditors	5,833	5,554
Accruals and deferred income	8,699	10,927
	<u>1,014,605</u>	<u>1,302,499</u>

The bank loans are secured by way of legal charges and a debenture against the Company's assets and its leasehold properties.

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

	28 February 2021 £	<i>31 December 2019 £</i>
Bank loans	320,881	118,584
	<u>320,881</u>	<u>118,584</u>

The bank loans are secured by way of legal charges and a debenture against the Company's assets and its leasehold properties.

10. Commitments under operating leases

At 28 February 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	28 February 2021 £	<i>31 December 2019 £</i>
Not later than 1 year	7,350	61,600
Later than 1 year and not later than 5 years	11,495	18,400
	<u>18,845</u>	<u>80,000</u>

PHARMA-Z LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 FEBRUARY 2021**

11. Transactions with directors

During the year further advances of **£177,818** were made to the director, who reimbursed the company with **£123,272**. As a result, the director owed **£105,276** (2019: £50,730) to the company. The loan is interest free, repayable on demand and included within other debtors in note 8 to the financial statements.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.