

**AHLP PHARMACY  
LIMITED**

**DIRECTORS REPORT  
AND FINANCIAL  
STATEMENTS**

**FOR THE YEAR ENDED  
31 DECEMBER 2012**

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# **AHLP PHARMACY LIMITED**

## **DIRECTORS REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2012**

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# **AHLP PHARMACY LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2012**

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The directors have pleasure in presenting their annual report and the audited financial statements of the company for the year ended 31 December 2012

#### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company during the year was the operation of a retail pharmacy

On 30 April 2012 the company sold its trade and stock to Lloyds Pharmacy Limited and therefore ceased to trade from this date. The directors are satisfied with the trading result for the period of operation

#### **Principal risks and uncertainties**

Since the company has ceased to trade the directors consider there are no longer any significant risks or uncertainties to disclose

#### **Key performance indicators (KPIs)**

Since the company has ceased to trade no key performance indicators are relevant

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £786,277 (2011 profit of £94,279). Particulars of dividends paid are detailed in note 8 to the financial statements

#### **DIRECTORS**

The directors who served the company during the year and up to the date of this report are as follows

A Walters  
S Minion  
W Shepherd  
A J Willetts

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are 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 financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

# AHLP PHARMACY LIMITED

## DIRECTORS' REPORT *(continued)*

### FOR THE YEAR ENDED 31 DECEMBER 2012

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#### STATEMENT OF DIRECTORS' RESPONSIBILITIES *(continued)*

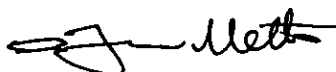
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies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

#### STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

In the case of each director in office at the date the directors' report is approved under Section 418 of the Companies Act 2006, the following applies:

- in so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware, and
- they have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



A J Willetts  
Director

Approved by the directors on 29/4/13

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AHLPHARMACY LIMITED**

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We have audited the financial statements of AHLPHarmacy Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As explained more fully in the Statement of Directors' Responsibilities set out on pages 1 to 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit 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.

### **OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AHLPHARMACY LIMITED** *(continued)*

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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



Mike Robinson (Senior Statutory Auditor)  
For and on behalf of  
PricewaterhouseCoopers LLP  
Chartered Accountants & Statutory Auditors

Milton Keynes

1 May 2013

# AHLP PHARMACY LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 £	2011 £
<b>TURNOVER</b>			
Discontinued operations		247,151	820,265
Cost of sales	2	(144,230)	(534,076)
<b>GROSS PROFIT</b>		<b>102,921</b>	<b>286,189</b>
Net operating expenses	2	(57,336)	(178,303)
<b>OPERATING PROFIT:</b>			
Discontinued operations	3	45,585	107,886
Profit on disposal of discontinued operations	5	752,489	–
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>798,074</b>	<b>107,886</b>
Tax on profit on ordinary activities	7	(11,797)	(13,607)
<b>PROFIT FOR THE FINANCIAL YEAR</b>	17	<b>786,277</b>	<b>94,279</b>

The company has no recognised gains or losses other than the results for the year as set out above and therefore no separate statement of total recognised gains and losses has been prepared

There is no material difference between the results above and the results on an unmodified historical cost basis

The notes on pages 7 to 15 form part of these financial statements

# AHLP PHARMACY LIMITED

## BALANCE SHEET

31 DECEMBER 2012

	Note	2012 £	2011 £
<b>CURRENT ASSETS</b>			
Stocks	9	–	34,246
Debtors due within one year	10	39,636	68,771
Debtors due after one year	10	100	100
Cash at bank and in hand		–	674
		<u>39,736</u>	<u>103,791</u>
<b>CREDITORS: Amounts falling due within one year</b>			
	11	<u>(5,848)</u>	<u>(9,412)</u>
<b>NET CURRENT ASSETS</b>		<u>33,888</u>	<u>94,379</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>33,888</u>	<u>94,379</u>
<b>CAPITAL AND RESERVES</b>			
Called up Share capital	16	100	100
Profit and loss account	17	33,788	94,279
<b>TOTAL SHAREHOLDERS' FUNDS</b>	18	<u>33,888</u>	<u>94,379</u>

These financial statements on pages 5 to 15 were approved by the board of directors and authorised for issue on 29/4/13, and were signed on its behalf by



A J Willetts  
Director

Company Registration Number 04006993

The notes on pages 7 to 15 form part of these financial statements.



# **AHLP PHARMACY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2012**

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#### **1. ACCOUNTING POLICIES**

##### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom and the Companies Act 2006

The financial statements have been prepared on a going concern basis which assumes that the company will continue in existence for the foreseeable future

Set out below is a summary of the more important accounting policies, which have been applied consistently except where stated otherwise

##### **Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard 1 (Revised 1996) - "Cash flow statements" from including a cash flow statement in the financial statements on the grounds that the company's ultimate parent publishes a consolidated cash flow statement

##### **Turnover**

All turnover arises from amounts derived from the provision of goods and services falling within the company's ordinary activities after deduction of goods and services tax

Turnover from the provision of goods and services is recognised when the risks and rewards of ownership have been transferred to the customer. The risks and rewards of ownership of goods and services are deemed to have been transferred when the goods or services are delivered to, or are collected by, the customer

Turnover from the provision of goods and all services is only recognised when the amounts to be recognised are fixed and determinable and collectability is reasonably assured

##### **Stocks**

Stocks are valued at the lower of cost and net realisable value. Cost is determined on a first in first out basis. Where necessary, provision is made for obsolete and slow moving stocks

##### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

##### **Pension costs**

The company participates in a defined contribution pension scheme operated by Admenta UK Plc. The charge to the profit and loss account in respect of the scheme represents the amounts payable in the accounting year

# AHLP PHARMACY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### FOR THE YEAR ENDED 31 DECEMBER 2012

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#### 1. ACCOUNTING POLICIES *(continued)*

##### **Taxation**

The charge for taxation is based on the result for the year and takes into account deferred taxation. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

##### **Trade debtor estimation technique**

Income receivable from health authorities relating to prescriptions dispensed is calculated by the prescription pricing authority rather than by the company. As a result of this evaluation process being complex and the lack of currently available commercial systems to provide a quantification of the NHS debtor, there is a degree of estimation involved in determining the amounts to include within the financial statements. The process looks at the number of prescriptions dispensed together with history on the average value and mix of those prescriptions on a store by store basis. This information is input into a model to provide an estimation of the NHS debtor at any given point in time. The income is received by a sister company and recharged.

#### 2. ANALYSIS OF COST OF SALES AND NET OPERATING EXPENSES

	<b>Discontinued operations £</b>	<b>Total £</b>
<b>YEAR ENDED 31 DECEMBER 2012</b>		
Cost of sales	<b>144,230</b>	<b>144,230</b>
Distribution costs	<b>46,611</b>	<b>46,611</b>
Administrative expenses	<b>10,725</b>	<b>10,725</b>
Net operating expenses	<b>57,336</b>	<b>57,336</b>

# AHLP PHARMACY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### FOR THE YEAR ENDED 31 DECEMBER 2012

#### 2. ANALYSIS OF COST OF SALES AND NET OPERATING EXPENSES *(continued)*

	Discontinued operations £	Total £
<b>YEAR ENDED 31 DECEMBER 2011</b>		
Cost of sales	534,076	534,076
Distribution costs	154,078	154,078
Administrative expenses	24,225	24,225
Net operating expenses	178,303	178,303

#### 3. OPERATING PROFIT

Operating profit is stated after charging

	2012 £	2011 £
Operating lease costs		
- land and buildings	6,725	20,225
Auditors' remuneration	4,000	4,000

Auditors' remuneration is analysed as follows

	2012 £	2011 £
Audit of company	4,000	4,000

No non-audit services have been provided by the auditors during the year (2011 Nil)

#### 4. Particulars of employees

The monthly average number of staff employed by the company (including directors) during the financial year amounted to

	2012 No	2011 No
Selling and distribution	1	4

The aggregate payroll costs of the above were

	2012 £	2011 £
Wages and salaries	34,653	88,590
Social security costs	2,729	7,038
Other pension costs	—	881
	37,382	96,509

# AHLP PHARMACY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### FOR THE YEAR ENDED 31 DECEMBER 2012

#### 5. PROFIT ON DISPOSAL OF DISCONTINUED OPERATIONS

	2012 £	2011 £
Disposal of discontinued operations		
Profit on sale of operation	<u>752,489</u>	<u>—</u>

Income amounting to £752,489 (2011 £nil) relates to the sale of the company's trade to Lloyds Pharmacy Limited during the year

#### 6. DIRECTORS' EMOLUMENTS

There are no directors' emoluments during the year (2011 nil)

The emoluments of Mr Willetts and Mr Shepherd are paid by a fellow subsidiary company, Lloyds Pharmacy Limited, which makes no recharge to the company. Mr Willetts and Mr Shepherd were directors of a number of fellow subsidiary companies and it is impossible to make an accurate apportionment of their emoluments in respect of each of these companies. Accordingly no emoluments in respect of Mr Willetts or Mr Shepherd are disclosed. Their emoluments are included in the financial statements of Lloyds Pharmacy Limited.

The emoluments of Mr Walters and Mr Minion are paid by a member of the Ashley House Plc group of companies and as above no recharge is made to the company.

#### 7. TAX ON PROFIT ON ORDINARY ACTIVITIES

##### (a) Analysis of charge in the year

	2012 £	2011 £
Current tax		
UK Corporation tax based on the results for the year at 24.50% (2011 26.50%)	10,745	26,835
Adjustments to tax charge in respect of previous periods	<u>(209)</u>	<u>(4,358)</u>
Total current tax	<u>10,536</u>	<u>22,477</u>
Deferred tax		
Origination and reversal of timing differences	<u>1,261</u>	<u>(8,870)</u>
Tax on profit on ordinary activities	<u>11,797</u>	<u>13,607</u>

The main rate of corporation tax reduced from 26% to 24% from 1 April 2012.

# AHLP PHARMACY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### FOR THE YEAR ENDED 31 DECEMBER 2012

#### 7. TAX ON PROFIT ON ORDINARY ACTIVITIES *(continued)*

##### **(b) Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the year is lower (2011 lower) than the standard rate of corporation tax in the UK of 24.50% (2011 26.50%). The differences are explained below

	2012 £	2011 £
Profit on ordinary activities before taxation	798,074	107,886
Profit on ordinary activities before taxation multiplied by the standard rate of tax	195,528	28,590
Effects of		
Capital allowances for year in excess of depreciation	(423)	(1,755)
Adjustments to tax charge in respect of previous periods	(209)	(4,358)
Income not chargeable for tax purposes	(184,360)	-
Total current tax (note 7(a))	10,536	22,477

##### **(c) Changes to the UK corporation tax system**

The standard rate of corporation tax in the UK reduced from 26% to 24% with effect from 1 April 2012. Accordingly the company's profits for this accounting period are taxed at an effective rate of 24.5%.

Finance Act 2012 also included legislation to reduce the main rate of corporation tax to 23% from 1 April 2013. As these changes were substantively enacted at the balance sheet date, the deferred tax balance has been restated to reflect the reduced rate of 23%.

In addition to the changes in rates of corporation tax disclosed above, further changes to the UK corporation tax rates were announced in the 2012 Autumn Statement and the March 2013 Budget. These include further reductions to the main rate to reduce the rate to 21% from 1 April 2014 and to 20% from 1 April 2015. These changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

#### 8. DIVIDENDS

	2012 £	2011 £
Paid during the year		
Dividends on Ordinary A shares £8,384.08 per share (2011 £289.92)	628,806	21,744
Dividends on Ordinary B shares £8,718.48 per share (2011 £399.00)	217,962	9,975
	846,768	31,719

# AHLP PHARMACY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### FOR THE YEAR ENDED 31 DECEMBER 2012

#### 9. STOCKS

	2012 £	2011 £
Finished goods	–	34,246

#### 10. DEBTORS

	2012 £	2011 £
Amounts owed by group undertakings	39,736	60,001
Deferred taxation (note 12)	–	8,870
	<u>39,736</u>	<u>68,871</u>

The debtors above include the following amounts falling due after more than one year

	2012 £	2011 £
Amounts owed by group undertakings	<u>100</u>	<u>100</u>

#### 11. CREDITORS: Amounts falling due within one year

	2012 £	2011 £
Corporation tax	<u>5,848</u>	<u>9,412</u>

#### 12. DEFERRED TAXATION

The deferred tax included in the Balance sheet is as follows

	2012 £	2011 £
Included in debtors (note 10)	<u>–</u>	<u>(8,870)</u>

The movement in the deferred taxation account during the year was

	2012 £	2011 £
Balance brought forward	(8,870)	–
Group transfer	7,609	–
Profit and loss account movement arising during the year (note 7)	<u>1,261</u>	<u>(8,870)</u>
Balance carried forward	<u>–</u>	<u>(8,870)</u>

# AHLP PHARMACY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### FOR THE YEAR ENDED 31 DECEMBER 2012

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#### 12. DEFERRED TAXATION *(continued)*

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2012	2011
	£	£
Excess of depreciation over taxation allowances	-	(8,870)
	<u>-</u>	<u>(8,870)</u>

Deferred tax is provided for at a rate of 23% (2011 25%)

#### 13. PENSIONS

The company participates in a defined contribution pension scheme operated by Admenta UK plc. Further details of this group scheme are given in the financial statements of Admenta UK Plc.

There were no amounts accrued in respect of pension scheme contributions at the balance sheet date (2011 £nil). The amounts paid in respect of pension contributions for the year ended 31 December 2012 are disclosed in note 4. The company provides no other post-retirement benefit to its employees.

#### 14. COMMITMENTS UNDER OPERATING LEASES

At 31 December the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings	
	2012	2011
	£	£
Operating leases which expire		
After more than 5 years	-	20,229
	<u>-</u>	<u>20,229</u>

#### 15. RELATED PARTY TRANSACTIONS

During the year Lloyds Pharmacy purchased the company's stock for £49,187 and the trade and associated goodwill of the company for £752,489. There was no other trading with Lloyds Pharmacy Limited during the year (2011 £nil). At the year end there was an outstanding non-trading balance receivable from Lloyds Pharmacy Limited of £39,736 (2011 £60,001). The company made purchases of £142,218 (2011 £485,402) from AAH Pharmaceuticals Limited, a fellow group company, during the year. There was no balance payable to AAH Pharmaceuticals Limited at the year end (2011 £nil).

# AHLP PHARMACY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### FOR THE YEAR ENDED 31 DECEMBER 2012

#### 16. SHARE CAPITAL

Allotted, called up and fully paid:

	2012		2011	
	No	£	No	£
A Ordinary shares of £1 each	75	75	75	75
B Ordinary shares of £1 each	25	25	25	25
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

The A ordinary and B ordinary shares both carry the right to one vote per share. The dividend rights of the B ordinary shares benefit in some circumstances from a guaranteed minimum entitlement. As a result, the dividend entitlement of the B ordinary shares may be higher than their basic entitlement to 25% of any proposed distribution, however, their entitlement cannot exceed 49.9% of the total distribution. After deducting the entitlement of the B ordinary shares, the A ordinary shares are entitled to the balance of the total distribution, being a minimum of 50.1% of the total distribution.

#### 17. PROFIT AND LOSS ACCOUNT

	£
Balance brought forward	94,279
Profit for the financial year	786,277
Dividends paid (note 8)	<u>(846,768)</u>
Balance carried forward	<u>33,788</u>

#### 18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012	2011
	£	£
Profit for the financial year	786,277	94,279
Dividends paid (note 8)	<u>(846,768)</u>	<u>(31,719)</u>
Net (reduction)/addition to shareholders' funds	(60,491)	62,560
Opening shareholders' funds	<u>94,379</u>	<u>31,819</u>
Closing shareholders' funds	<u>33,888</u>	<u>94,379</u>



# **AHLP PHARMACY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

### **FOR THE YEAR ENDED 31 DECEMBER 2012**

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#### **19. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The immediate parent undertaking is Lloyds Pharmacy Limited. The company's ultimate parent undertaking and controlling party is Franz Haniel & Cie GmbH, a company registered in Germany, by virtue of its majority shareholding in the intermediate parent Celesio AG and its consolidation of the Celesio AG Group results into its own consolidated financial statements.

Consolidated financial statements for the largest group of undertakings are prepared by Franz Haniel & Cie GmbH and may be obtained from Franz Haniel Platz 1, D-47119 Duisburg, Ruhrort, Germany.

Consolidated financial statements for the smallest group of companies are prepared by Celesio AG and may be obtained from Celesio AG, Neckartalstrasse 155, D-70376 Stuttgart, Germany.