

**AHLP PHARMACY
LIMITED**

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED
31 MARCH 2015**

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AHLP PHARMACY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 JANUARY 2014 TO 31 MARCH 2015

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AHLP PHARMACY LIMITED

STRATEGIC REPORT

FOR THE PERIOD FROM 1 JANUARY 2014 TO 31 MARCH 2015

The directors present their strategic report for the 15 month period ended 31 March 2015.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the period was the operation of a retail pharmacy as a joint venture. The trade commenced on 1 December 2013 with a pharmacy acquisition, following the disposal of the company's previous pharmacy business in 2012.

On 6 February 2014, McKesson Corporation became the company's ultimate parent and controlling party as detailed in note 21 to the financial statements. Accordingly the current period financial statements represent a 15 month period to align with the parent reporting.

On 31 March 2015, the company sold its trade and certain assets to Lloyds Pharmacy Limited for a consideration of £1,250,000 plus stock at valuation. The company therefore ceased to trade from this date. The directors are satisfied with the trading result for the period of operation. The directors will seek alternative activities for the company and believe that the company will continue in existence for the foreseeable future.

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.

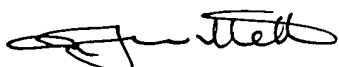
Key performance indicators (KPIs)

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

Financial risk management

The financial risks are managed by a fellow group company, Admenta UK Limited. The management of these risks are discussed in the Admenta UK Limited financial statements.

Signed on behalf of the directors



A J Willetts
Director

Approved by the directors on 17 December 2015

AHLP PHARMACY LIMITED

DIRECTORS' REPORT

FOR THE PERIOD FROM 1 JANUARY 2014 TO 31 MARCH 2015

The directors have pleasure in presenting their annual report and the audited financial statements of the company for the period from 1 January 2014 to 31 March 2015.

RESULTS AND DIVIDENDS

The profit for the period, after taxation, amounted to £1,290,366 (year ended 31 December 2013: loss of £7,810). On 10 April 2015, the company paid an interim dividend of £1,366,516 to its shareholders (2013: £nil).

During the period, the majority shareholder, Lloyds Pharmacy Limited, made a capital contribution of £51,209 (2013: £144,836).

DIRECTORS

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

A Walters
S Minion
A J Willetts
W Hall

(Appointed 1 January 2014)

POST BALANCE SHEET EVENT

On 7 April 2015, the capital contribution reserve of the company was cancelled, by special resolution, supported by solvency statement. On 10 April 2015, the company paid an interim dividend of £1,366,516 to its shareholders.

STRATEGIC REPORT

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have 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 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 these 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;

AHLP PHARMACY LIMITED

DIRECTORS' REPORT *(continued)*

FOR THE PERIOD FROM 1 JANUARY 2014 TO 31 MARCH 2015

DIRECTORS' RESPONSIBILITIES STATEMENT *(continued)*

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The company appointed Deloitte LLP as auditors during the period, following the resignation of PwC. Deloitte LLP have expressed their willingness to continue in office.

On behalf of the board



A J Willetts
Director

Approved by the directors on 17 December 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AHLPHARMACY LIMITED

We have audited the financial statements of AHLPHarmacy Limited for the 15 month period ended 31 March 2015 which comprise the Profit and Loss Account, the Balance sheet and the related notes 1 to 21. 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).

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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement, 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.

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 annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 March 2015 and of its profit for the period 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 MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AHL
PHARMACY LIMITED** *(continued)*

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.

David Hall, FCA

David Hall FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants & Statutory Auditor
Nottingham, United Kingdom

21 December 2015

AHLP PHARMACY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD FROM 1 JANUARY 2014 TO 31 MARCH 2015

	Note	Period from 1 Jan 14 to 31 Mar 15 £	Year to 31 Dec 13 £
TURNOVER			
Discontinued operations		1,886,104	106,630
Cost of sales	2	<u>(1,219,107)</u>	<u>(89,418)</u>
GROSS PROFIT		666,997	17,212
Net operating expenses	2	<u>(413,263)</u>	<u>(26,390)</u>
OPERATING PROFIT/(LOSS):	3		
Discontinued operations		253,734	(9,178)
Profit on disposal of discontinued operations	5	1,085,011	—
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>1,338,745</u>	<u>(9,178)</u>
Tax on profit/(loss) on ordinary activities	7	<u>(48,379)</u>	<u>1,368</u>
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD/YEAR	18	<u><u>1,290,366</u></u>	<u><u>(7,810)</u></u>

The company has no recognised gains or losses other than the results for the period/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 8 to 19 form part of these financial statements.

AHLP PHARMACY LIMITED

BALANCE SHEET

AS AT 31 MARCH 2015

	Note	31 Mar 15 £	£	31 Dec 13 £
FIXED ASSETS				
Tangible assets	9		—	141,291
CURRENT ASSETS				
Stocks	10	—		52,931
Debtors: amounts falling due within one year	11	1,530,526		334
Cash at bank and in hand		1,034		870
		1,531,560		54,135
CREDITORS: Amounts falling due within one year	13	(52,859)		(58,300)
NET CURRENT ASSETS/(LIABILITIES)			1,478,701	(4,165)
TOTAL ASSETS LESS CURRENT LIABILITIES			1,478,701	137,126
CAPITAL AND RESERVES				
Called up Share capital	17		100	100
Other reserves	18		196,045	144,836
Profit and loss account	18		1,282,556	(7,810)
TOTAL SHAREHOLDERS' FUNDS	19		1,478,701	137,126

These financial statements on pages 6 to 19 were approved by the board of directors and authorised for issue on 17 December 2015, and were signed on its behalf by:



A J Willetts
Director

Company Registration Number: 04006993

The notes on pages 8 to 19 form part of these financial statements.

AHLP PHARMACY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 JANUARY 2014 TO 31 MARCH 2015

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 company relies on its parent company for financial support and the financial statements have been prepared on a going concern basis which assumes that the company will continue in existence for the foreseeable future. The parent company continues to provide this on-going support and the directors have received confirmation that this support remains in place.

Set out below is a summary of the more important accounting policies, which have been applied consistently throughout the period and the preceding year 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.

Tangible fixed assets

Tangible fixed assets are stated at cost less provision for depreciation. Cost comprises the purchase cost together with any incidental expenses of acquisition.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings - 10 - 33.3% on a straight line basis

AHLP PHARMACY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 JANUARY 2014 TO 31 MARCH 2015

1. ACCOUNTING POLICIES *(continued)*

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 Limited. The charge to the profit and loss account in respect of the scheme represents the amounts payable in the accounting period.

Taxation

The charge for taxation is based on the result for the period 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.

AHLP PHARMACY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 JANUARY 2014 TO 31 MARCH 2015

2. ANALYSIS OF COST OF SALES AND NET OPERATING EXPENSES

	Discontinued operations £	Total £
PERIOD FROM 1 JANUARY 2014 TO 31 MARCH 2015		
Cost of sales	<u>1,219,107</u>	<u>1,219,107</u>
Distribution costs	308,325	308,325
Administrative expenses	<u>104,938</u>	<u>104,938</u>
Net operating expenses	<u>413,263</u>	<u>413,263</u>
YEAR ENDED 31 DECEMBER 2013		
Cost of sales	<u>89,418</u>	<u>89,418</u>
Distribution costs	17,962	17,962
Administrative expenses	<u>8,428</u>	<u>8,428</u>
Net operating expenses	<u>26,390</u>	<u>26,390</u>

3. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging:

	Period from 1 Jan 14 to 31 Mar 15 £	Year to 31 Dec 13 £
Depreciation of owned fixed assets	27,511	3,545
Operating lease costs:		
- Plant and equipment	283	-
- Land and buildings	56,790	883
Auditor's remuneration	<u>5,000</u>	<u>4,000</u>

No non-audit services have been provided by the auditor during the period (2013: nil).

AHLP PHARMACY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 JANUARY 2014 TO 31 MARCH 2015

3. OPERATING PROFIT/(LOSS) *(continued)*

Auditor's remuneration can be analysed as follows:

	Period from 1 Jan 14 to 31 Mar 15 £	Year to 31 Dec 13 £
Audit of company's financial statements	5,000	4,000
Total fees	<u>5,000</u>	<u>4,000</u>

4. PARTICULARS OF EMPLOYEES

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

	Period from 1 Jan 14 to 31 Mar 15 No	Year to 31 Dec 13 No
Selling and distribution	<u>13</u>	<u>1</u>

The aggregate payroll costs of the above were:

	Period from 1 Jan 14 to 31 Mar 15 £	Year to 31 Dec 13 £
Wages and salaries	226,496	14,795
Social security costs	12,431	823
Other pension costs	1,315	84
	<u>240,242</u>	<u>15,702</u>

AHLP PHARMACY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 JANUARY 2014 TO 31 MARCH 2015

5. PROFIT ON DISPOSAL OF DISCONTINUED OPERATIONS

	Period from 1 Jan 14 to 31 Mar 15 £	Year to 31 Dec 13 £
Disposal of discontinued operations:		
Profit on sale of operation	<u>1,085,011</u>	<u>—</u>

Income amounting to £1,085,011 (2013: £nil) relates to the sale of the company's trade to Lloyds Pharmacy Limited, during the period, for a consideration of £1,250,000 plus stock at valuation.

6. DIRECTORS' EMOLUMENTS

There are no directors' emoluments during the period (2013: nil).

The emoluments of Mr Willetts and Ms Hall are paid by a fellow subsidiary company, Lloyds Pharmacy Limited, which makes no recharge to the company. Mr Willetts and Ms Hall 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 Ms Hall 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.

AHLP PHARMACY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 JANUARY 2014 TO 31 MARCH 2015

7. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

(a) Analysis of charge/(credit) in the period

	Period from 1 Jan 14 to 31 Mar 15 £	Year to 31 Dec 13 £
Current tax:		
UK Corporation tax based on the results for the period at 21.40% (2013: 23.25%)	52,859	(1,648)
Adjustments to tax charge in respect of previous periods	(4,814)	614
Total current tax	48,045	(1,034)
Deferred tax:		
Origination and reversal of timing differences	1,576	(334)
Adjustment in respect of previous years	(1,242)	-
Total deferred tax (note 12)	334	(334)
Tax on profit/(loss) on ordinary activities	48,379	(1,368)

AHLP PHARMACY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 JANUARY 2014 TO 31 MARCH 2015

7. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the period is lower (2013: higher) than the standard rate of corporation tax in the UK of 21.40% (2013: 23.25%). The differences are explained below:

	Period from 1 Jan 14 to 31 Mar 15 £	Year to 31 Dec 13 £
Profit/(loss) on ordinary activities before taxation	<u>1,338,745</u>	<u>(9,178)</u>
Profit/(loss) on ordinary activities before taxation multiplied by the standard rate of tax	286,491	(2,134)
Effects of:		
Expenses not deductible for tax purposes	1,526	98
Depreciation in excess of (less than) capital allowances	(1,117)	388
Utilisation of tax losses	(1,848)	-
Adjustments to tax charge in respect of previous periods	(4,814)	614
Income not chargeable for tax purposes	<u>(232,193)</u>	<u>-</u>
Total current tax (note 7(a))	<u>48,045</u>	<u>(1,034)</u>

(c) Changes to the UK corporation tax system

The standard rate of corporation tax in the UK reduced from 23% to 21% with effect from 1 April 2014. Accordingly the company's profits for this accounting period are taxed at an effective rate of 21.4%. Finance Act 2013 also included legislation to reduce the main rate of corporation tax to 20% from 1 April 2015. This change has no impact on these financial statements.

8. DIVIDENDS

	Period from 1 Jan 14 to 31 Mar 15 £	Year to 31 Dec 13 £
Paid during the year:		
Dividends on Ordinary A shares £nil per share (2013: £450.51)	<u>-</u>	<u>33,788</u>

AHLP PHARMACY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 JANUARY 2014 TO 31 MARCH 2015

9. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £
COST	
As at 1 January 2014	144,836
Additions	51,209
Disposals	(196,045)
As at 31 March 2015	<u>—</u>
ACCUMULATED DEPRECIATION	
As at 1 January 2014	3,545
Charge for the period	27,511
On disposals	(31,056)
As at 31 March 2015	<u>—</u>
NET BOOK VALUE	
As at 31 March 2015	<u>—</u>
As at 31 December 2013	<u>141,291</u>

10. STOCKS

	31 Mar 15 £	31 Dec 13 £
Finished goods	<u>—</u>	<u>52,931</u>

11. DEBTORS

	31 Mar 15 £	31 Dec 13 £
Amounts owed by group undertakings	1,530,526	—
Deferred taxation (note 12)	<u>—</u>	<u>334</u>
	<u>1,530,526</u>	<u>334</u>

AHLP PHARMACY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 JANUARY 2014 TO 31 MARCH 2015

12. DEFERRED TAXATION

The deferred tax included in the Balance sheet is as follows:

	Period from 1 Jan 14 to 31 Mar 15 £	Year to 31 Dec 13 £
Included in debtors (note 11)	-	334

The movement in the deferred taxation account during the period was:

	Period from 1 Jan 14 to 31 Mar 15 £	Year to 31 Dec 13 £
Balance brought forward	334	-
Profit and loss account movement arising during the period (note 7)	(334)	334
Balance carried forward	-	334

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

	31 Mar 15 £	31 Dec 13 £
Excess of depreciation over taxation allowances	-	334
	-	334

Deferred tax is provided for at a rate of 20% (2013: 20%).

13. CREDITORS: Amounts falling due within one year

	31 Mar 15 £	31 Dec 13 £
Amounts owed to group undertakings	-	53,486
Corporation tax	52,859	4,814
	52,859	58,300

Amounts owed to group undertakings are unsecured, interest free loans.

AHLP PHARMACY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 JANUARY 2014 TO 31 MARCH 2015

14. PENSIONS

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

There were no amounts accrued in respect of pension scheme contributions at the balance sheet date (2013: £nil). The amounts paid in respect of pension contributions for the period ended 31 March 2015 are disclosed in note 4. The company provides no other post-retirement benefit to its employees.

15. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2015 the company had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings	
	31 Mar 15	31 Dec 13
	£	£
Operating leases which expire:		
After more than 5 years	-	44,000

16. RELATED PARTY TRANSACTIONS

During the period, Lloyds Pharmacy Limited purchased the trade and certain assets of the company for £1,250,000 and the stock for £110,638. In addition, Lloyds Pharmacy Limited made a capital contribution to the company amounting to £51,209 (2013: £144,836). At the period end there was an outstanding non-trading balance receivable from Lloyds Pharmacy Limited of £1,530,526 (2013: payable £53,486). The company made purchases of £1,215,598 (2013: £78,907) from AAH Pharmaceuticals Limited, a fellow group company, during the period. There was no balance payable to AAH Pharmaceuticals Limited at the period end (2013: £nil).

17. CALLED UP SHARE CAPITAL

Allotted, called up and fully paid:

	31 Mar 15		31 Dec 13	
	No	£	No	£
A Ordinary shares shares of £1 each	75	75	75	75
B Ordinary shares shares of £1 each	25	25	25	25
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

AHLP PHARMACY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 JANUARY 2014 TO 31 MARCH 2015

17. CALLED UP SHARE CAPITAL *(continued)*

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.

18. RESERVES

	Other reserves	Profit and loss account
	£	£
Balance brought forward	144,836	(7,810)
Profit for the financial period	–	1,290,366
Capital contribution	51,209	–
Balance carried forward	<u>196,045</u>	<u>1,282,556</u>

Other reserves relates to the capital contribution made by the majority shareholder, Lloyds Pharmacy Limited.

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 Mar 15	31 Dec 13
	£	£
Profit/(Loss) for the financial period/year	1,290,366	(7,810)
Capital contribution	51,209	144,836
	<u>1,341,575</u>	<u>137,026</u>
Dividends paid (note 8)	–	(33,788)
Net addition to shareholders' funds	1,341,575	103,238
Opening shareholders' funds	137,126	33,888
Closing shareholders' funds	<u>1,478,701</u>	<u>137,126</u>

20. POST BALANCE SHEET EVENTS

On 7 April 2015, the capital redemption reserve of the company, shown as other reserves, was cancelled, by special resolution, supported by a solvency statement. On 10 April 2015, the company paid an interim dividend of £1,366,516 to its shareholders.

AHLP PHARMACY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 JANUARY 2014 TO 31 MARCH 2015

21. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is Lloyds Pharmacy Limited. On 6 February 2014 the ultimate parent undertaking and controlling party of the Company changed from Franz Haniel & Cie GmbH, a company registered in Germany, to McKesson Corporation, a company registered in North America. This followed completion of the acquisition of more than 75% of Celesio shares by McKesson Deutschland GmbH & Co. KGaA (formerly Dragonfly GmbH & Co. KGaA).

Consolidated financial statements for the largest group of undertakings are prepared by McKesson Corporation and may be obtained from McKesson Corporation, One Post Street, San Francisco, CA 94104, United States. Consolidated financial statements for the smallest group of companies are prepared by Celesio AG and may be obtained from Celesio AG, Neckartalstrasse 155, 70376 Stuttgart, Germany.