

COMPANY REGISTRATION NUMBER: 06675718

AMENDED

Daves Chemist Ltd
Filleted Unaudited Financial Statements
31 August 2017

WEDNESDAY



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06/06/2018
COMPANIES HOUSE

AEQUITAS
Chartered Accountants
Elthorne Gate
64 High Street
Pinner
Middlesex
HA5 5QA

Daves Chemist Ltd

Financial Statements

Year ended 31 August 2017

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Daves Chemist Ltd

Statement of Financial Position

31 August 2017

		2017	2016
	Note	£	(restated) £
Fixed assets			
Tangible assets	6	23,936	15,158
Current assets			
Stocks		39,200	33,590
Debtors	7	125,566	98,540
Cash at bank and in hand		113,068	176,212
		<u>277,834</u>	<u>308,342</u>
Creditors: amounts falling due within one year	8	<u>110,821</u>	<u>100,926</u>
Net current assets		<u>167,013</u>	<u>207,416</u>
Total assets less current liabilities		<u>190,949</u>	<u>222,574</u>
Provisions			
Taxation including deferred tax		1,083	—
Net assets		<u>189,866</u>	<u>222,574</u>
Capital and reserves			
Called up share capital		12	12
Profit and loss account		189,854	222,562
Shareholders funds		<u>189,866</u>	<u>222,574</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

For the year ending 31 August 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The statement of financial position
continues on the following page.

The notes on pages 3 to 8 form part of these financial statements.

Daves Chemist Ltd

Statement of Financial Position *(continued)*

31 August 2017

These financial statements were approved by the board of directors and authorised for issue on 15 April 2018, and are signed on behalf of the board by:



Mr B Dave
Director

Company registration number: 06675718

The notes on pages 3 to 8 form part of these financial statements.

Daves Chemist Ltd

Notes to the Financial Statements

Year ended 31 August 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Elthorne Gate, 64 High Street, Pinner, Middlesex, HA5 5QA.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 September 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 12.

Revenue recognition

Turnover represents revenue generated from the pharmacy and 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 discount, settlement discounts and volume rebates.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Daves Chemist Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 August 2017

3. Accounting policies *(continued)*

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

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

Motor vehicles	- 20% straight line
Equipment	- 20% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Daves Chemist Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 August 2017

3. Accounting policies *(continued)*

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 2 (2016: 2).

Daves Chemist Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 August 2017

5. Tax on profit

Major components of tax expense

	2017	2016 <i>(restated)</i>
	£	£
Current tax:		
UK current tax expense	4,675	15,191
Adjustments in respect of prior periods	17,724	—
Total current tax	<u>22,399</u>	<u>15,191</u>
Deferred tax:		
Origination and reversal of timing differences	1,083	—
Tax on profit	<u>23,482</u>	<u>15,191</u>

6. Tangible assets

	Motor vehicles £	Equipment £	Total £
Cost			
At 1 September 2016 (as restated)	13,736	27,958	41,694
Additions	22,488	—	22,488
Disposals	(13,736)	—	(13,736)
At 31 August 2017	<u>22,488</u>	<u>27,958</u>	<u>50,446</u>
Depreciation			
At 1 September 2016	6,010	20,526	26,536
Charge for the year	4,498	1,486	5,984
Disposals	(6,010)	—	(6,010)
At 31 August 2017	<u>4,498</u>	<u>22,012</u>	<u>26,510</u>
Carrying amount			
At 31 August 2017	<u>17,990</u>	<u>5,946</u>	<u>23,936</u>
At 31 August 2016	<u>7,726</u>	<u>7,432</u>	<u>15,158</u>

7. Debtors

	2017	2016 <i>(restated)</i>
	£	£
Trade debtors	92,307	92,086
Other debtors	33,259	6,454
	<u>125,566</u>	<u>98,540</u>

Daves Chemist Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 August 2017

8. Creditors: amounts falling due within one year

	2017	2016 <i>(restated)</i>
	£	£
Trade creditors	64,446	77,122
Corporation tax	22,613	15,191
Other creditors	23,762	8,613
	<u>110,821</u>	<u>100,926</u>

9. Prior period errors

The prior year adjustment arose from several material matters as follows:

1. The NHS debtor in the accounts was understated by £84,471. The error was due to a miscalculation of amounts owed from the NHS at the balance sheet date.
2. In previous years, the motor vehicles were not accounted for correctly. The corrections have resulted in an overall book loss on disposal of motor vehicles of £12,729.
3. The VAT refund due in prior was incorrectly accrued. An amount of £6,454 has been accounted for as a prior year adjustment to correct the position.

These net adjustments totalling £78,197 have been incorporated as a prior year adjustment into the 2016 accounts and which are now correctly restated.

Cash and bank balance were overstated by £24,922 in the prior year. This adjustment was originally entered via the directors loan and therefore has now been reversed from the same account. As a result, the amount due to the directors as at 31 August 2016 is reduced from £30,091 as previously reported, to £5,169 after the prior year adjustments.

The corporation tax effect of the prior year adjustments amounts to £15,639 and this is reflected as an underprovision of tax within the current year to 31st August 2017.

10. Directors' advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

	2017		
	Balance brought forward	Advances/ (credits) to the directors	Balance outstanding
	£	£	£
Mr B Dave	<u>(5,169)</u>	<u>32,480</u>	<u>27,311</u>

	2016		
	Balance brought forward	Advances/ (credits) to the directors	Balance outstanding
	£	£	£
Mr B Dave	<u>(31,091)</u>	<u>25,922</u>	<u>(5,169)</u>

Daves Chemist Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 August 2017

11. Related party transactions

The Directors had an overdrawn loan account amounting to £27,311 throughout the year. This was the maximum amount outstanding throughout the year. Interest is paid on this loan at the Official Rate and an amount of £819 has been accrued in the accounts.

The loan was repaid on the 8th April 2018 by way of a dividend declared and credited to the directors loan account.

12. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 September 2015.

No transitional adjustments were required in equity or profit or loss for the year.