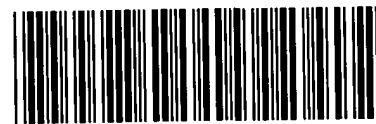

NAILSEA HEALTHCARE LLP

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

FRIDAY



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NAILSEA HEALTHCARE LLP

INFORMATION

Designated Members

Community Pharmacies (UK) Limited
Nailsea Medical LLP

LLP registered number

OC375502

Registered office

2 Peterwood Way, Croydon, Surrey, CR0 4UQ

NAILSEA HEALTHCARE LLP

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NAILSEA HEALTHCARE LLP

**MEMBERS' REPORT
FOR THE YEAR ENDED 31 MARCH 2018**

The members present their annual report together with the financial statements of Nailsea Healthcare LLP (the "LLP") for the year ended 31 March 2018.

Principal activities

The principal activity of the company during the year was that of a pharmacy.

Results for the year and allocation to members

The loss for the year available for distribution to the members was £82,555 (2017: £62,902 profit).

Members' drawings, contributions and repayments

Members are permitted to make drawings in anticipation of profits which will be allocated to them.

New members are required to subscribe a minimum level of capital and in subsequent years members may be invited to subscribe for further capital, the amounts of which will be determined by the performance of the LLP.

Designated members

The designated members who held office during the year and up to the date of signature of the financial statements were as follows:

Community Pharmacies (UK) Limited
Nailsea Medical LLP

This report was approved by the members on 17 October 2018 and signed on their behalf by:


.....
Community Pharmacies (UK) Limited

NAILSEA HEALTHCARE LLP

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018**

	Note	2018 £	2017 £
Turnover		1,411,280	1,491,947
Cost of sales		(1,074,256)	(1,031,144)
		<hr/>	<hr/>
Gross profit		337,024	460,803
Administrative expenses		(392,473)	(370,169)
		<hr/>	<hr/>
Operating (loss)/profit		(55,449)	90,634
Interest receivable and similar income		24	202
Interest payable and expenses		(2,656)	(4,164)
		<hr/>	<hr/>
(Loss)/profit before tax		(58,081)	86,672
		<hr/>	<hr/>
(Loss)/profit for the year before members' remuneration and profit shares		(58,081)	86,672
		<hr/>	<hr/>
(Loss)/profit for the year before members' remuneration and profit shares		(58,081)	86,672
Members' remuneration charged as an expense		(24,474)	(86,672)
		<hr/>	<hr/>
(Loss)/profit for the financial year available for discretionary division among members		(82,555)	-
		<hr/>	<hr/>

The notes on pages 6 to 12 form part of these financial statements.

NAILSEA HEALTHCARE LLP
REGISTERED NUMBER: OC375502

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	5	1	1
Tangible assets	6	42,613	50,029
		<u>42,614</u>	<u>50,030</u>
Current assets			
Stocks		67,963	92,689
Debtors: amounts falling due within one year	7	361,037	244,343
Cash at bank and in hand		13,263	25,917
		<u>442,263</u>	<u>362,949</u>
Creditors: Amounts Falling Due Within One Year	8	(479,158)	(279,679)
Net current (liabilities)/assets		<u>(36,895)</u>	<u>83,270</u>
Total assets less current liabilities		<u>5,719</u>	<u>133,300</u>
Creditors: amounts falling due after more than one year	9	-	(94,891)
		<u>5,719</u>	<u>38,409</u>
Net assets		<u><u>5,719</u></u>	<u><u>38,409</u></u>

NAILSEA HEALTHCARE LLP
REGISTERED NUMBER: OC375502

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2018


	Note	2018 £	2017 £
Represented by:			
Loans and other debts due to members within one year			
Amounts due in respect of profits		(3,560)	18,438
Other amounts		151,863	80,000
		<u>148,303</u>	<u>98,438</u>
Members' other interests			
Members' capital classified as equity	2		2
Other reserves classified as equity	(142,586)		(60,031)
		<u>(142,584)</u>	<u>(60,029)</u>
		<u>5,719</u>	<u>38,409</u>
Total members' interests			
Loans and other debts due to members		148,303	98,438
Members' other interests		(142,584)	(60,029)
		<u>5,719</u>	<u>38,409</u>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small LLPs regime.

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006, as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

The members acknowledge their responsibilities for complying with the requirements of the Companies Act 2006, as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 17 October 2018.


.....
Community Pharmacies (UK) Limited
Designated member

The notes on pages 6 to 12 form part of these financial statements.

NAILSEA HEALTHCARE LLP

RECONCILIATION OF MEMBERS' INTERESTS FOR THE YEAR ENDED 31 MARCH 2018

	EQUITY Members' other interests			DEBT Loans and other debts due to members less any amounts due from members in debtors		Total members' interests
	Members' capital (classified as equity) £	Other reserves £	Total £	Other amounts £	Total £	Total £
Amounts due to members				90,535	90,535	
Balance at 1 April 2016	2	(60,031)	(60,029)	90,536	90,536	30,507
Members' remuneration charged as an expense	-	-	-	86,672	86,672	86,672
Members' interests after profit for the year	2	(60,031)	(60,029)	177,208	177,208	117,179
Drawings	-	-	-	(78,770)	(78,770)	(78,770)
Amounts due to members				98,438	98,438	
Balance at 31 March 2017	2	(60,031)	(60,029)	98,438	98,438	38,409
Members' remuneration charged as an expense	-	-	-	24,474	24,474	24,474
Loss for the year available for discretionary division among members	-	(82,555)	(82,555)	-	-	(82,555)
Members' interests after profit for the year	2	(142,586)	(142,584)	122,912	122,912	(19,672)
Amounts introduced by members	-	-	-	71,863	71,863	71,863
Drawings	-	-	-	(46,473)	(46,473)	(46,473)
Amounts due to members				148,303	148,303	
Balance at 31 March 2018	2	(142,586)	(142,584)	148,303	148,303	5,719

The notes on pages 6 to 12 form part of these financial statements.

There are no existing restrictions or limitations which impact the ability of the members of the LLP to reduce the amount of Members' other interests.

NAILSEA HEALTHCARE LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. General information

Nailsea Healthcare LLP is a limited liability partnership incorporated in England and Wales. The registered office is 2 Peterwood Way, Croydon, Surrey, United Kingdom, CR0 4UQ.

The limited liability partnerships principal activities and nature of its operations are disclosed in the Members' Report.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the LLP's accounting policies.

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

The following principal accounting policies have been applied:

2.2 Going concern

The accounts have been prepared on a going concern basis which assumes the LLP will continue to be able to meet its financing obligations.

The accumulated losses reported in the period to 31 March 2018 were anticipated from the outset. The pharmacy continues to trade in line with expectations both financially and operationally. As the pharmacy grows towards maturity, the LLP is forecast to become cash generative in line with expectations enabling it to meet the repayments of its senior debt and any additional finance requirements.

The members will continue to provide additional financial support to the business, if required, to ensure that it is able to meet its financial obligations as they fall due.

2.3 Turnover

Turnover is shown, net of Value Added Tax, for goods and services provided to customers.

NAILSEA HEALTHCARE LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.4 Members' participation rights

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed, remuneration and profits).

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with section 22 of FRS 102. A member's participation rights including amounts subscribed or otherwise contributed by members, for example members' capital, are classed as liabilities unless the LLP has an unconditional right to refuse payment to members, in which case they are classified as equity.

All amounts due to members that are classified as liabilities are presented within 'Loans and other debts due to members' and, where such an amount relates to current year profits, they are recognised within 'Members' remuneration charged as an expense' in arriving at the relevant year's result. Unallocated amounts that are classified as equity are shown within 'Members' other interests'. Amounts recoverable from members are presented as debtors and shown as amounts due from members within members' interests.

Where there exists an asset and liability component in respect of an individual member's participation rights, they are presented on a gross basis unless the LLP has both a legally enforceable right to set off the recognised amounts, and it intends either to settle on a net basis or to settle and realise these amounts simultaneously, in which case they are presented net.

Whilst the members' agreement does not differentiate between profits and losses for profit sharing purposes, it does stipulate that the LLP cannot demand additional contributions from members, and as a result the LLP does not have an unconditional right to demand payment from members for losses. Therefore, they are not recognised as a recoverable asset and so remain within equity as other reserves.

Other amounts applied to members, for example remuneration paid under an employment contract and interest on capital balances, are treated in the same way as all other divisions of profits, as described above, according to whether the LLP has, in each case, an unconditional right to refuse payment. Amounts payable to members under employment contracts and unavoidable interest on members capital are charged to "members remuneration charged as an expense" in the relevant year.

2.5 Operating leases: the LLP as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

2.6 Intangible assets

Intangible assets comprise a licence to trade as a pharmacy. Intangible assets are stated at cost less amortisation and are reviewed for impairment whenever there is an indication that the carrying value may be impaired.

2.7 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.

NAILSEA HEALTHCARE LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold property	-	7% straight line
Fixtures and fittings	-	20% straight line
Computer equipment	-	33% 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 the Statement of Comprehensive Income.

2.8 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 replacement cost and 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.

2.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

2.10 Financial instruments

The LLP 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, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the

NAILSEA HEALTHCARE LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.10 Financial instruments (continued)

difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the LLP would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

2.11 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 limited liability partnership is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

3. Employees

The average monthly number of persons (excluding members) employed during the year was as follows:

	2018 No.	2017 No.
Employees excluding members	17	19

4. Information in relation to members

	2018 £	2017 £
Remuneration paid under an employment contract	14,069	14,970
Remuneration under participation rights	-	62,902
Mandatory interest payments	10,405	8,800
	<u>24,474</u>	<u>86,672</u>

NAILSEA HEALTHCARE LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

5. Intangible assets

	Patents £
Cost	
At 1 April 2017	1
At 31 March 2018	<u>1</u>
Net book value	
At 31 March 2018	<u>1</u>
At 31 March 2017	<u>1</u>

6. Tangible fixed assets

	Freehold property £	Plant and machinery £	Total £
Cost or valuation			
At 1 April 2017	61,204	21,389	82,593
At 31 March 2018	<u>61,204</u>	<u>21,389</u>	<u>82,593</u>
Depreciation			
At 1 April 2017	17,578	14,986	32,564
Charge for the year on owned assets	4,073	3,343	7,416
At 31 March 2018	<u>21,651</u>	<u>18,329</u>	<u>39,980</u>
Net book value			
At 31 March 2018	<u>39,553</u>	<u>3,060</u>	<u>42,613</u>
At 31 March 2017	<u>43,626</u>	<u>6,403</u>	<u>50,029</u>

NAILSEA HEALTHCARE LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

7. Debtors

	2018 £	2017 £
Trade debtors	207,245	201,167
Other debtors	153,362	15,482
Prepayments and accrued income	430	27,694
	<u>361,037</u>	<u>244,343</u>

8. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank loans	-	18,650
Trade creditors	450,306	234,397
Amounts owed to group undertakings	-	684
Other taxation and social security	4,173	6,316
Other creditors	16,599	-
Accruals and deferred income	8,080	19,632
	<u>479,158</u>	<u>279,679</u>

Bank loan and overdraft for which security has been given amounted to £nil (2017: £18,650).

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

	2018 £	2017 £
Bank loans	-	94,891
	<u>-</u>	<u>94,891</u>

The aggregate amount of creditors, falling due after more than one year, for which security has been given amounted to £nil (2017: £94,891).

10. Loans and other debts due to members

In the event of a winding up the amounts included in "Loans and other debts due to members" will rank equally with unsecured creditors.

NAILSEA HEALTHCARE LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

11. Commitments under operating leases

At 31 March 2018 the LLP had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	16,374	18,453
Later than 1 year and not later than 5 years	65,496	68,095
Later than 5 years	170,560	171,928
	<u>252,430</u>	<u>258,476</u>

12. Related party transactions

Community Pharmacies (UK) Limited is a designated member.

During the year management charges paid to Community Pharmacies (UK) Limited amounted to £14,069 (2017: £14,970).

£3,410 (2017: £nil) worth of expenses paid by Community Pharmacies (UK) Limited. As at 31 March 2018 the LLP owed £10,137 (2017: £684 owed to) by Community Pharmacies (UK) Limited.

Other debts due to members include £122,000 (2017: £40,000) owed to Community Pharmacies (UK) Limited. Interest paid on the loan during the year amounted to £5,998 (2017: £4,400)

Nailsea Medical LLP is a designated member.

Other debts due to members include £40,000 (2017: £40,000) owed to Nailsea Medical LLP. Interest paid on the loan during the year amounted to £4,407 (2017: 4,400)

Nailsea Healthcare LLP rents the pharmacy property from certain members of Nailsea Medical LLP. Rent including service charges amounted to £16,374 (2017: £17,656) during the year.

During the year the LLP made purchases totalling £330,651 (2017: £nil) from Day Lewis Medical Limited, a fellow subsidiary of the parent company of Community Pharmacies (UK) Limited, Day Lewis Plc. As at 31 March 2018 the company owed £288,409 (2017: £nil) to Day Lewis Medical Limited.