



Alexander Sloan
Accountants and Business Advisers

Abbey Chemists Ltd
Annual Report and Unaudited Financial Statements
Year Ended 30 June 2018
Registration number: SC323221

180 St Vincent Street
Glasgow
G2 5SG

Telephone
0141 204 8989

50 Melville Street
Edinburgh
EH3 7HF

Telephone
0131 228 7979

www.alexandersloan.co.uk
info@alexandersloan.co.uk

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COMPANIES HOUSE

Abbey Chemists Ltd

Company Information

Directors Mr Asgher Mohammed
Mr Siraj Mohammed
Mrs Farzana Mohammed
Mr Imran Mohammed

Company secretary Mr Asgher Mohammed

Registered office C/o Alexander Sloan
180 St Vincent Street
Glasgow
G2 5SG

Bankers Bank Of Scotland
110 St Vincent Street
Glasgow
G2 5EJ

Accountants Alexander Sloan
180 St Vincent Street
Glasgow
G2 5SG

Abbey Chemists Ltd

(Registration number: SC323221)
Balance Sheet as at 30 June 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	4	3,124,476	3,311,976
Tangible assets	5	<u>149,712</u>	<u>54,991</u>
		<u>3,274,188</u>	<u>3,366,967</u>
Current assets			
Stocks	6	211,571	189,675
Debtors	7	496,134	441,807
Cash at bank and in hand		<u>641,990</u>	<u>538,414</u>
		1,349,695	1,169,896
Creditors: Amounts falling due within one year	8	<u>(647,338)</u>	<u>(640,107)</u>
Net current assets		<u>702,357</u>	<u>529,789</u>
Total assets less current liabilities		3,976,545	3,896,756
Provisions for liabilities		<u>(3,186)</u>	<u>(8,156)</u>
Net assets		<u>3,973,359</u>	<u>3,888,600</u>
Capital and reserves			
Called up share capital		501	501
Share premium reserve		123,681	123,681
Profit and loss account		<u>3,849,177</u>	<u>3,764,418</u>
Total equity		<u>3,973,359</u>	<u>3,888,600</u>

The notes on pages 4 to 9 form an integral part of these financial statements.
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Abbey Chemists Ltd

**(Registration number: SC323221)
Balance Sheet as at 30 June 2018**

For the financial year ending 30 June 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

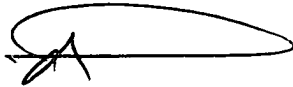
Directors' responsibilities:

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

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 12 November 2018 and signed on its behalf by:



.....
Mr Asgher Mohammed
Company secretary and director

Abbey Chemists Ltd

Notes to the Financial Statements for the Year Ended 30 June 2018

1 General information

The company is a private company limited by share capital incorporated in Scotland.

The address of its registered office is:

C/o Alexander Sloan
180 St Vincent Street
Glasgow
G2 5SG

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are presented in Sterling, which is the functional currency of the company.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold improvements	Straight line over the life of the lease
Fixtures, fittings and equipment	25% straight line
Motor vehicles	20% reducing balance
Plant and equipment	20% reducing balance

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

Abbey Chemists Ltd

Notes to the Financial Statements for the Year Ended 30 June 2018

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	24 years

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Abbey Chemists Ltd

Notes to the Financial Statements for the Year Ended 30 June 2018

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 37 (2017 - 34).

4 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 July 2017	<u>4,436,976</u>	<u>4,436,976</u>
At 30 June 2018	<u>4,436,976</u>	<u>4,436,976</u>
Amortisation		
At 1 July 2017	1,125,000	1,125,000
Amortisation charge	<u>187,500</u>	<u>187,500</u>
At 30 June 2018	<u>1,312,500</u>	<u>1,312,500</u>
Carrying amount		
At 30 June 2018	<u>3,124,476</u>	<u>3,124,476</u>
At 30 June 2017	<u>3,311,976</u>	<u>3,311,976</u>

The estimated useful life is deemed to be 27 years from date of acquisition, being 1 July 2008. The grounds for rebutting the ordinary 10 year useful life presumption (under FRS102) are that durability of the business can be demonstrated as a result of the nature of the business, the stability of the highly regulated pharmacy industry, the infinite lifespan for the service which a pharmacy business provides, and the plans of the owner to transfer the business down through this "Family Office" ensuring succession in years ahead.

Amortisation of goodwill commenced in 2012 over the remaining useful life of the asset. No amortisation was charged in earlier years due to the calculated "value in use" (discounted cashflows) being higher than the carrying value of goodwill.

Abbey Chemists Ltd

Notes to the Financial Statements for the Year Ended 30 June 2018

5 Tangible assets

	Leasehold improvements £	Furniture, fittings and equipment £	Motor vehicles £	Plant and equipment £	Total £
Cost or valuation					
At 1 July 2017	148,786	17,854	19,405	25,504	211,549
Additions	123,256	-	-	-	123,256
Disposals	(37,264)	-	-	-	(37,264)
At 30 June 2018	234,778	17,854	19,405	25,504	297,541
Depreciation					
At 1 July 2017	122,886	17,759	-	15,913	156,558
Charge for the year	21,671	95	4,851	1,918	28,535
Eliminated on disposal	(37,264)	-	-	-	(37,264)
At 30 June 2018	107,293	17,854	4,851	17,831	147,829
Carrying amount					
At 30 June 2018	127,485	-	14,554	7,673	149,712
At 30 June 2017	25,900	95	19,405	9,591	54,991

Abbey Chemists Ltd

Notes to the Financial Statements for the Year Ended 30 June 2018

6 Stocks

	2018 £	2017 £
Stocks	<u>211,571</u>	<u>189,675</u>

7 Debtors

	Note	2018 £	2017 £
Trade debtors		401,172	357,472
Directors current account	11	2,136	2,136
Other debtors		<u>92,826</u>	<u>82,199</u>
Total current trade and other debtors		<u>496,134</u>	<u>441,807</u>

8 Creditors

	Note	2018 £	2017 £
Due within one year			
Trade creditors		436,550	402,016
Other creditors		<u>210,788</u>	<u>238,091</u>
		<u>647,338</u>	<u>640,107</u>

9 Dividends

	2018 £	2017 £
Interim dividend of £200.00 (2017 - £199.80) per ordinary share	100,200	100,100

10 Financial commitments, guarantees and contingencies

The total amount of financial commitments not included in the balance sheet is £202,500 (2017 - £183,000). This is in respect of minimum lease payments under non-cancellable operating leases.

Abbey Chemists Ltd

Notes to the Financial Statements for the Year Ended 30 June 2018

11 Related party transactions

Transactions with directors

Directors' remuneration

The directors' remuneration for the year was as follows:

	2018	2017
	£	£
Remuneration	115,500	107,000
Contributions paid to money purchase schemes	45,375	45,000
	<u>160,875</u>	<u>152,000</u>

Other transactions with directors

During the year, Mrs Farzana Mohammed, director, was paid £12,000 (2017 - £24,000) by Abbey Chemists Ltd for rent of a property.