

**Community Pharmacy Scotland
Company Limited by Guarantee
Filleterd Financial Statements
31 July 2022**



CHARLES BURROWS & CO
Chartered Accountants & statutory auditor
7 Palmerston Place
Edinburgh
EH12 5AH

Community Pharmacy Scotland

Company Limited by Guarantee

Financial Statements

Year ended 31 July 2022

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Community Pharmacy Scotland

Company Limited by Guarantee

Officers and Professional Advisers

The board of directors

M J Green
J B Semple
E B Fairbairn
F K Frame
K Gordon
C Sinclair
J J Connolly
C C Shimmins
Y E Williams
M E MacRury
C Wright
M G Feeney
A S Bilon
D Massie
M Millar

Registered office

42 Queen Street
Edinburgh
EH2 3NH

Auditor

Charles Burrows & Co
Chartered Accountants & Statutory Auditor
7 Palmerston Place
Edinburgh
EH12 5AH

Community Pharmacy Scotland

Company Limited by Guarantee

Statement of Financial Position

31 July 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	8	2,272,288	2,355,578
Current assets			
Debtors	9	393,218	375,948
Cash at bank and in hand		354,586	331,733
		<u>747,804</u>	<u>707,681</u>
Creditors: amounts falling due within one year	10	<u>89,134</u>	<u>97,622</u>
Net current assets		658,670	610,059
Total assets less current liabilities		2,930,958	2,965,637
Provisions			
Taxation including deferred tax		129,702	154,850
Net assets		<u>2,801,256</u>	<u>2,810,787</u>

The statement of financial position
continues on the following page.

The notes on pages 4 to 10 form part of these financial statements.

Community Pharmacy Scotland

Company Limited by Guarantee

Statement of Financial Position *(continued)*

31 July 2022

	Note	2022 £	2021 £
Capital and reserves			
Revaluation reserve		552,940	660,150
Profit and loss account		<u>2,248,316</u>	<u>2,150,637</u>
Members funds		<u>2,801,256</u>	<u>2,810,787</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 Section 1A of 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 comprehensive income has not been delivered.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements were approved by the board of directors and authorised for issue on 9 November 2022, and are signed on behalf of the board by:



M J Green
Director



J B Semple
Director

Company registration number: SC401969

The notes on pages 4 to 10 form part of these financial statements.

Community Pharmacy Scotland

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 July 2022

1. General information

The company is a private company limited by guarantee, registered in Scotland. The address of the registered office is 42 Queen Street, Edinburgh, EH2 3NH.

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.

Going concern

When preparing financial statements, the directors shall make an assessment of the entity's ability to continue as a going concern. Financial statements shall be prepared on a going concern basis unless the directors either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so.

Consolidation

The company has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the company and its subsidiary undertakings comprise a small group.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

The turnover in the accounts are voluntary contributions received from the members during the year and services provided during the year.

Community Pharmacy Scotland

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2022

3. Accounting policies *(continued)*

Taxation

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.

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:

Fixtures & Fittings	- 25% straight line
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Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Community Pharmacy Scotland

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2022

3. Accounting policies *(continued)*

Investments *(continued)*

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Investments in associates

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

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.

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.

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Notes to the Financial Statements *(continued)*

Year ended 31 July 2022

3. Accounting policies *(continued)*

Provisions *(continued)*

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. Company limited by guarantee

The company is limited by guarantee and has no share capital.

5. Employee numbers

The average number of persons employed by the company during the year amounted to 23 (2021: 20).

6. Tax on (loss)/profit

Major components of tax (income)/expense

	2022	2021
	£	£
Current tax:		
UK current tax expense	7,334	9,212
Deferred tax:		
Origination and reversal of timing differences	(25,148)	60,944
Tax on (loss)/profit	<u>(17,814)</u>	<u>70,156</u>

Community Pharmacy Scotland

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Notes to the Financial Statements *(continued)*

Year ended 31 July 2022

7. Tangible assets

	Fixtures and fittings £	Total £
Cost		
At 1 August 2021 and 31 July 2022	<u>5,594</u>	<u>5,594</u>
Depreciation		
At 1 August 2021 and 31 July 2022	<u>5,594</u>	<u>5,594</u>
Carrying amount		
At 31 July 2022	<u>—</u>	<u>—</u>
At 31 July 2021	<u>—</u>	<u>—</u>

8. Investments

	Shares in group undertakings £	Listed Investments £	Total £
Cost or market value			
At 1 August 2021	4	2,355,574	2,355,578
Additions	—	260,532	260,532
Disposals	—	(257,066)	(257,066)
Revaluations	—	(86,756)	(86,756)
At 31 July 2022	<u>4</u>	<u>2,272,284</u>	<u>2,272,288</u>
Impairment			
At 1 August 2021 and 31 July 2022	<u>—</u>	<u>—</u>	<u>—</u>
Carrying amount			
At 31 July 2022	<u>4</u>	<u>2,272,284</u>	<u>2,272,288</u>
At 31 July 2021	<u>4</u>	<u>2,355,574</u>	<u>2,355,578</u>

The company holds 100% of the ordinary share capital of SPGC Property Limited, at the balance sheet date the reserves of this company are £285,188 (2021 -£298,352). The loss for the year was £13,164 (2021 loss - £23,008).

The company holds 100% of the ordinary share capital of CPS Services (Edinburgh) Limited, at the balance sheet date the reserves of this company are £42,746 (2021 -£40,100). The profit for the period was £2,646. (2021 -£22,085)

Community Pharmacy Scotland

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2022

9. Debtors

	2022	2021
	£	£
Amounts owed by group undertakings	372,395	350,795
Prepayments and accrued income	20,785	25,115
Other debtors	38	38
	<u>393,218</u>	<u>375,948</u>

10. Creditors: amounts falling due within one year

	2022	2021
	£	£
Accruals and deferred income	57,847	61,723
Corporation tax	7,334	9,212
Social security and other taxes	23,953	26,687
	<u>89,134</u>	<u>97,622</u>

11. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2022	2021
	£	£
Included in provisions	<u>129,702</u>	<u>154,850</u>

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

	2022	2021
	£	£
Fair value adjustment of financial assets	<u>129,702</u>	<u>154,850</u>

12. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2022	2021
	£	£
Financial assets measured at fair value through profit or loss		
Financial assets measured at fair value through profit or loss	<u>2,272,284</u>	<u>2,355,574</u>

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Notes to the Financial Statements *(continued)*

Year ended 31 July 2022

13. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2022	2021
	£	£
Later than 1 year and not later than 5 years	<u>75,000</u>	<u>105,000</u>

14. Summary audit opinion

The auditor's report for the year dated 9 November 2022 was unqualified.

The senior statutory auditor was William A S Gunn, for and on behalf of Charles Burrows & Co.

15. Related party transactions

The company was under the control of the directors throughout the current period.

During the year the company paid £30,000 (2021 - £30,000) to SPGC Property Limited for rent.

At the balance sheet date SPGC Property Limited owed Community Pharmacy Scotland £372,395 (2021 - £350,795) by way of inter company loan. This amount is interest free and has no fixed term of repayment.

SPGC Property Limited is a 100% subsidiary of Community Pharmacy Scotland