

**WELLWAY PHARMACY LIMITED**  
**FILLETED UNAUDITED FINANCIAL STATEMENTS**  
**31 MARCH 2017**



**JOSEPH MILLER & CO**  
**Chartered Accountants**  
**Newcastle upon Tyne**

**WELLWAY PHARMACY LIMITED**  
**STATEMENT OF FINANCIAL POSITION**

**31 MARCH 2017**

|  | Note | 2017             |                | 2016             |                |
|--|------|------------------|----------------|------------------|----------------|
|  |      | £                | £              | £                | £              |
| <b>Fixed assets</b>  |      |                  |                |                  |                |
| Intangible assets  | 5    |                  | 323,014        |                  | 368,014        |
| Tangible assets  | 6    |                  | 15,657         |                  | 10,755         |
|  |      |                  | <u>338,671</u> |                  | <u>378,769</u> |
| <b>Current assets</b>  |      |                  |                |                  |                |
| Stocks   |      | 95,865           |                | 76,409           |                |
| Debtors  | 7    | 221,224          |                | 227,732          |                |
| Cash at bank and in hand                                       |      | 129,454          |                | 144,524          |                |
|  |      | <u>446,543</u>   |                | <u>448,665</u>   |                |
| <b>Creditors: amounts falling due within one year</b>          | 8    | <u>(368,273)</u> |                | <u>(375,652)</u> |                |
| <b>Net current assets</b>                                      |      |                  | 78,270         |                  | 73,013         |
| <b>Total assets less current liabilities</b>                   |      |                  | <u>416,941</u> |                  | <u>451,782</u> |
| <b>Creditors: amounts falling due after more than one year</b> | 9    |                  | (303,344)      |                  | (341,120)      |
| <b>Provisions</b>  |      |                  |                |                  |                |
| Taxation including deferred tax                                |      |                  | (2,975)        |                  | (1,812)        |
| <b>Net assets</b>  |      |                  | <u>110,622</u> |                  | <u>108,850</u> |
| <b>Capital and reserves</b>                                    |      |                  |                |                  |                |
| Called up share capital  |      |                  | 300            |                  | 300            |
| Profit and loss account  |      |                  | 110,322        |                  | 108,550        |
| <b>Shareholders funds</b>                                      |      |                  | <u>110,622</u> |                  | <u>108,850</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 and directors' report have not been delivered.

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

Directors' responsibilities:

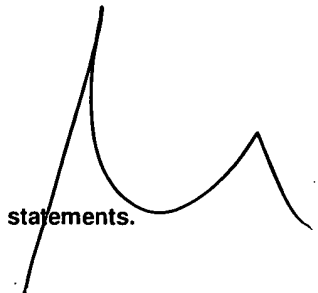
- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation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

The financial statements were approved by the board of directors and authorised for issue on 9 October 2017 and are signed on behalf of the board by:

Dr C Marr  
Director



Dr S Hinchliffe  
Director



Company registration number: 03020162

The notes on pages 2 to 6 form part of these financial statements.

**WELLWAY PHARMACY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 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 The Surgery, Wellway, Morpeth, Northumberland, NE61 1BJ.

**2. Statement of compliance**

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, '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. 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 April 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 12.

**Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

Revenue from the sale of goods and services is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer, usually at the point of sale and the amount of revenue can be measured reliably, it is probable that the associated economic benefits will flow to the entity, and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

**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.

**WELLWAY PHARMACY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**3. Accounting policies (continued)**

**Goodwill**

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life.

**Amortisation**

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

Goodwill - 10% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

**Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

**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 and fittings - 15% reducing balance  
Motor vehicles - 25% reducing balance  
Equipment - 25% reducing balance

**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.

**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.

## WELLWAY PHARMACY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### YEAR ENDED 31 MARCH 2017

#### 3. Accounting policies *(continued)*

##### **Hire purchase contracts**

Assets held under 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.

##### **Financial instruments**

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

##### **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.

##### **Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis.

#### 4. Employee numbers

The average number of persons employed by the company during the year amounted to 18 (2016: 19).

**WELLWAY PHARMACY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2017**

**5. Intangible assets**

|                                   | <b>Goodwill</b><br>£ |
|-----------------------------------|----------------------|
| <b>Cost</b>                       |                      |
| At 1 April 2016 and 31 March 2017 | 450,000              |
| <b>Amortisation</b>               |                      |
| At 1 April 2016                   | 81,986               |
| Charge for the year               | 45,000               |
| <b>At 31 March 2017</b>           | <u>126,986</u>       |
| <b>Carrying amount</b>            |                      |
| At 31 March 2017                  | <u>323,014</u>       |
| At 31 March 2016                  | <u>368,014</u>       |

The period chosen to amortise the goodwill is 10 years.

**6. Tangible assets**

|                         | <b>Fixtures and fittings</b><br>£ | <b>Motor vehicles</b><br>£ | <b>Equipment</b><br>£ | <b>Total</b><br>£ |
|-------------------------|-----------------------------------|----------------------------|-----------------------|-------------------|
| <b>Cost</b>             |                                   |                            |                       |                   |
| At 1 April 2016         | 31,272                            | 10,168                     | 8,701                 | 50,141            |
| Additions               | –                                 | 10,783                     | –                     | 10,783            |
| Disposals               | –                                 | (10,168)                   | (1,610)               | (11,778)          |
| <b>At 31 March 2017</b> | <u>31,272</u>                     | <u>10,783</u>              | <u>7,091</u>          | <u>49,146</u>     |
| <b>Depreciation</b>     |                                   |                            |                       |                   |
| At 1 April 2016         | 26,104                            | 6,057                      | 7,225                 | 39,386            |
| Charge for the year     | 775                               | 449                        | 311                   | 1,535             |
| Disposals               | –                                 | (6,057)                    | (1,375)               | (7,432)           |
| <b>At 31 March 2017</b> | <u>26,879</u>                     | <u>449</u>                 | <u>6,161</u>          | <u>33,489</u>     |
| <b>Carrying amount</b>  |                                   |                            |                       |                   |
| At 31 March 2017        | <u>4,393</u>                      | <u>10,334</u>              | <u>930</u>            | <u>15,657</u>     |
| At 31 March 2016        | <u>5,168</u>                      | <u>4,111</u>               | <u>1,476</u>          | <u>10,755</u>     |

**7. Debtors**

|               | <b>2017</b><br>£ | <b>2016</b><br>£ |
|---------------|------------------|------------------|
| Trade debtors | 166,459          | 146,924          |
| Other debtors | 54,765           | 80,808           |
|               | <u>221,224</u>   | <u>227,732</u>   |

**WELLWAY PHARMACY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2017**

**8. Creditors: amounts falling due within one year**

|                                 | <b>2017</b>    | <b>2016</b>    |
|---------------------------------|----------------|----------------|
|                                 | <b>£</b>       | <b>£</b>       |
| Bank loans and overdrafts       | 44,024         | 42,604         |
| Trade creditors                 | 297,178        | 295,316        |
| Corporation tax                 | 15,459         | 28,392         |
| Social security and other taxes | 5,041          | 2,139          |
| Other creditors                 | 6,571          | 7,201          |
|                                 | <u>368,273</u> | <u>375,652</u> |

**9. Creditors: amounts falling due after more than one year**

|                           | <b>2017</b>    | <b>2016</b>    |
|---------------------------|----------------|----------------|
|                           | <b>£</b>       | <b>£</b>       |
| Bank loans and overdrafts | 295,146        | 339,236        |
| Other creditors           | 8,198          | 1,884          |
|                           | <u>303,344</u> | <u>341,120</u> |

**10. Other financial commitments**

At 31 March 2017, the company had total commitments under non-cancellable operating leases over the remaining life of those leases of £11,603 (2016 – £11,603).

**11. Related party transactions**

The company was under the control of the directors throughout the year.

There are no related party transactions requiring to be disclosed in accordance with FRS102 (Section 1A).

**12. Transition to FRS 102**

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

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