

---

**APM HEALTHCARE LIMITED**

---

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 MARCH 2018**

---

**APM HEALTHCARE LIMITED**

---

**COMPANY INFORMATION**

---

<b>Directors</b>	Mr J C Patel Jnr Mr K C Patel Jnr Miss H Patel
<b>Company secretary</b>	A R Patel
<b>Registered number</b>	06889809
<b>Registered office</b>	2 Peterwood Way Croydon Surrey CR0 4UQ
<b>Independent auditor</b>	KPMG LLP, Statutory Auditor Chartered Accountants 1 Forest Gate Brighton Road Crawley RH11 9PT

---

APM HEALTHCARE LIMITED

---

CONTENTS

---

	Page
<b>Strategic report</b>	1 - 3
<b>Directors' report</b>	4 - 5
<b>Independent auditor's report</b>	6 - 8
<b>Statement of comprehensive income</b>	9
<b>Statement of financial position</b>	10
<b>Statement of changes in equity</b>	11
<b>Notes to the financial statements</b>	12 - 23

STRATEGIC REPORT  
FOR THE PERIOD ENDED 31 MARCH 2018

---

### Business review

Day Lewis is the UK's second largest independent pharmacy chain, with 312 pharmacies owned or managed at year end across the country. 20 pharmacies have been added in the year through 3rd party acquisitions. Two low performing pharmacies have been sold.

The group was founded in 1975 by Kirit Patel and his brother JC Patel and the business remains a family owned entity, now managed by Kirit's children, Kirit Patel Jnr, Jayanti Patel Jnr and Rupa Patel. Day Lewis has developed strong relationships across the market and has unique insight and influence on factors affecting the pharmacy sector.

Day Lewis has an outstanding reputation across the industry picking up amongst others the following awards:

- Investors in People Gold 2017
- Ranked 49 in the Top Track 250 List 2017
- Clinical Services of the year – Chemist and Druggist 2016
- Team Innovation Award – Recognition of Excellence Awards 2017

### Retail pharmacy

The English pharmacy sector represents a secure, growing market, underpinned by an increasing need for dispensing of prescription drugs and a government that wants to see community pharmacies expand and improve the range of services they offer to relieve the burden on an overstretched NHS.

Day Lewis is a patient orientated service provider which dispenses pharmaceutical and other retail and over the counter products and provides a wide range of clinical services to its patients.

The group's pharmacies are typically located in local communities, in or near health centres and GP surgeries, helping to deliver increased footfall amongst customers, develop strong relationships with the local healthcare community and build Day Lewis's brand as a trusted healthcare provider.

Day Lewis prides itself on its service led approach; putting the patient at the heart of its decisions is a key differentiator for the business enabling it to build a large base of loyal, recurring customers, evidenced by repeat prescriptions making up at least 70% of the group's dispensing activities.

Prescription dispensing across the country has now stagnated with a 0.2% decline in prescription growth during the year ended 31 March 2018 at a national level. Day Lewis's broad portfolio of attractively located stores, strength of brand and knowledgeable and experienced staff means that the business has maintained its position in the market and can continue driving its retail business going forward. During the year under review, Day Lewis plc dispensed 22.7m prescriptions.

The group maximises margin through central purchasing of stock and onward distribution to its retail pharmacies from its automated distribution centre in Croydon, Surrey.

The group's long term objectives are:

### Driving growth

- Increase in branch performance and number of branches.
- Opportunities for growth in international markets particularly in the EU
- Expanding geographical footprints in UK market
- Diversifying investment into other pharmacy related sectors

Enhancing margins

- Purchasing mix of medicines between generic and branded products
- Efficient stock control
- Increases in professional services income

**Principal risks and uncertainties**

Principal risks and uncertainties and risk management objectives and policies are managed by the group.

Price risk

The company, through its investments, is exposed to the inherent risks of economic and financial market developments, including recession, inflation, availability of affordable credit and currency fluctuations that could lower revenues. The current system of correcting generic reimbursement prices through the mechanism of "Category M" has continued through the current financial year. Category M was introduced with the new pharmacy contract in 2005 and allows the retail pharmacy industry to retain an amount of £800m of generic procurement profit annually. The system is therefore used retrospectively by the Department of Health to claw back surplus procurement profits from the Pharmacy industry. Through a continual business review process and monitoring of the business environment, the Directors of the company and the wider group seek to mitigate these potential risks.

Liquidity risk

The company is financed by way of group loans of £2.2m as at 31 March 2018 (2017: £nil) and had cash of £9k (2017: £288k) at the year end. The group refinanced its banking facilities with 5 UK banks, giving it further access to capital. A RCF facility of £160m has been agreed for a term to February 2021. There is significant headroom in the banking covenants at the year-end. Of the £160m available in the facility, £129m was drawdown as at 31 March 2018. The Directors believe the company has sufficient current and future cash reserves and facilities available for it to meet its liabilities including financing obligations for at least twelve months from the signing of the financial statements.

Interest rate risk

During the year, a forward start hedge instrument was entered into by the group. The instrument is a plain vanilla swap, commences in January 2018 and is for a fixed amount of £100m of debt at a fixed rate of 1.099%.

Cash flow risk

The group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The group uses interest rate swap contracts to hedge interest rate exposures. Foreign currency rates risk is mitigated by buying currency at spot and one month forward rate.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The group's principal financial assets are bank balances and cash, trade and other receivables. The credit risk on trade and other receivables is limited as the group's exposure is with Department of Health and retail and wholesales customers. Exposure to credit risk on wholesale customers is mitigated through credit insurance taken out on the wholesales debtors book. The amounts presented in the balance sheet are net of allowances for doubtful receivables. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

---

**APM HEALTHCARE LIMITED**

---

**Financial key performance indicators**

Turnover in the year decreased by £19.3k to £1.5k (2017: £20.8k).

Administrative expenses decreased by £26.2k to (£15.4k) (2017: £41.6k)

Operating loss increased by £3.7k to £22.3k (2017: £18.6k)

This report was approved by the board on 27 September 2018 and signed on its behalf.

**Mr J C Patel Jnr**

Director

**DIRECTORS' REPORT  
FOR THE PERIOD ENDED 31 MARCH 2018**

---

The directors present their report and the financial statements for the 9 month period ended 31 March 2018 comparative 15 month period ended 30 June 2017.

**Directors' responsibilities statement**

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**Principal activity**

The principal activity of the company continued to be that of the provision of consultancy services relevant to the pharmacy industry.

**Accounting Reference Date**

The company changed its accounting reference date from 30th June 2018 to 31st March 2018. Accordingly these accounts are for nine month period.

**Results and dividends**

The loss for the period, after taxation, amounted to £22,271 (2017 - loss £18,576).

The Directors have not recommended a dividend (2017: £nil).

**DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 31 MARCH 2018**

---

**Directors**

The directors who served during the period were:

Mr J C Patel Jnr  
Mr K C Patel Jnr  
Miss H Patel

**Disclosure of information to auditor**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Post balance sheet events**

There have been no significant events affecting the Company since the year end.

**Auditor**

The auditor, KPMG LLP, Statutory Auditor, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

Mr J C Patel Jnr  
Director

Date: 27 September 2018

2 Peterwood Way  
Croydon  
Surrey  
CR0 4UQ



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
APM HEALTHCARE LIMITED**

**Opinion**

We have audited the financial statements of APM Healthcare Limited ("the company") for the period ended 31 March 2018 which comprise the statement of comprehensive income, the Balance sheet, the statement of changes in equity and related notes.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2018 and of its loss for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

**Going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

**Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial period is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APM HEALTHCARE LIMITED (CONTINUED)

### Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

### Other matter - prior period financial statements

We note that the prior period financial statements were not audited. Consequently ISAs (UK) require the auditor to state that the corresponding figures contained within these financial statements are unaudited. Our opinion is not modified in respect of this matter.

### Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APM HEALTHCARE LIMITED (CONTINUED)**

**The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Timothy Rush (Senior statutory auditor)

for and on behalf of  
**KPMG LLP, Statutory Auditor**

Chartered Accountants

1 Forest Gate  
Brighton Road  
Crawley  
RH11 9PT

27 September 2018

APM HEALTHCARE LIMITED

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 MARCH 2018

	Note	Period ended 31 March 2018 £	Period ended 30 June 2017 £
Turnover		1,537	20,769
<b>Gross profit</b>		<b>1,537</b>	<b>20,769</b>
Administrative expenses		(15,399)	(41,610)
<b>Operating loss</b>		<b>(13,862)</b>	<b>(20,841)</b>
Interest receivable and similar income		161	416,595
Interest payable and expenses		(8,570)	(414,330)
<b>Loss before tax</b>		<b>(22,271)</b>	<b>(18,576)</b>
Tax on loss		-	-
<b>Loss for the financial period</b>		<b>(22,271)</b>	<b>(18,576)</b>
<b>Other comprehensive income for the period</b>			
<b>Total comprehensive income for the period</b>		<b>(22,271)</b>	<b>(18,576)</b>

The notes on pages 12 to 23 form part of these financial statements.

**APM HEALTHCARE LIMITED**  
**REGISTERED NUMBER: 06889809**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2018**

	Note	31 March 2018 £	30 June 2017 £
<b>Fixed assets</b>			
Investments		100	100
		<u>100</u>	<u>100</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	2,783,622	2,524,795
Cash at bank and in hand	13	9,069	288,127
		<u>2,792,691</u>	<u>2,812,922</u>
Creditors: amounts falling due within one year	14	(2,226,735)	(2,224,695)
<b>Net current assets</b>		<u>565,956</u>	<u>588,227</u>
<b>Total assets less current liabilities</b>		<u>566,056</u>	<u>588,327</u>
<b>Net assets</b>		<u><u>566,056</u></u>	<u><u>588,327</u></u>
<b>Capital and reserves</b>			
Called up share capital		174	174
Share premium account		615,310	615,310
Profit and loss account		(49,428)	(27,157)
		<u>566,056</u>	<u>588,327</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 September 2018.

**Mr J C Patel Jnr**  
Director

The notes on pages 12 to 23 form part of these financial statements.

APM HEALTHCARE LIMITED

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2018**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 July 2017	174	615,310	(27,157)	588,327
<b>Comprehensive income for the period</b>				
Loss for the period	-	-	(22,271)	(22,271)
<b>Total comprehensive income for the period</b>	-	-	(22,271)	(22,271)
<b>At 31 March 2018</b>	<u>174</u>	<u>615,310</u>	<u>(49,428)</u>	<u>566,056</u>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 JUNE 2017**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 July 2016	174	615,310	(8,581)	606,903
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(18,576)	(18,576)
<b>Total comprehensive income for the year</b>	-	-	(18,576)	(18,576)
<b>At 30 June 2017</b>	<u>174</u>	<u>615,310</u>	<u>(27,157)</u>	<u>588,327</u>

The notes on pages 12 to 23 form part of these financial statements.

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

---

**1. General information**

APM Healthcare Limited is a private company limited by shares incorporated in England and Wales. The registered office is 2 Peterwood Way, Croydon, Surrey, United Kingdom, CR0 4UQ.

**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.

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

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 Company's accounting policies.

The following principal accounting policies have been applied:

**2.2 Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Day Lewis Plc as at 31 March 2018 and these financial statements may be obtained from 2 Peterwood Way, Croydon, Surrey, CR0 4UQ.

**2.3 Exemption from preparing consolidated financial statements**

The Company is exempt from the requirement to prepare consolidated financial statements as all of its subsidiaries are required to be excluded from consolidation by section 402 of the Companies Act 2006.

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

---

**2. Accounting policies (continued)**

**2.4 Operating leases: the Company as lessee**

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 July 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

**2.5 Interest income**

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

**2.6 Finance costs**

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.7 Taxation**

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

**2.8 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.



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

---

**2. Accounting policies (continued)**

**2.8 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Fixtures and fittings	-	20%	reducing balance
-----------------------	---	-----	------------------

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.

**2.9 Fixed asset investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

**2.10 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.11 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.12 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.13 Financial instruments**

The Company 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.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that

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

---

2. Accounting policies (continued)

2.13 Financial instruments (continued)

are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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 difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company 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.

---

APM HEALTHCARE LIMITED

---

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

---

**3. Turnover**

An analysis of turnover by class of business is as follows:

	2018 £	2017 £
Other income	1,537	20,769
	<u>1,537</u>	<u>20,769</u>

Analysis of turnover by country of destination:

	2018 £	2017 £
United Kingdom	1,537	20,769
	<u>1,537</u>	<u>20,769</u>

**4. Operating loss**

The operating loss is stated after charging:

	2018 £	2017 £
Other operating lease rentals	-	11,466
	<u>-</u>	<u>11,466</u>

**5. Auditor's remuneration**

	2018 £	2017 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>13,550</u>	<u>17,250</u>

**6. Employees**

The Company has no employees other than the directors, who did not receive any remuneration (2017 - £NIL).

APM HEALTHCARE LIMITED

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

7. Interest receivable

	2018 £	2017 £
Interest receivable from group companies	-	414,330
Other interest receivable	161	2,265
	<u>161</u>	<u>416,595</u>

8. Interest payable and similar expenses

	2018 £	2017 £
Other loan interest payable	8,570	414,330
	<u>8,570</u>	<u>414,330</u>

9. Taxation

	2018 £	2017 £
<b>Total current tax</b>	<u>-</u>	<u>-</u>
<b>Deferred tax</b>		
<b>Total deferred tax</b>	<u>-</u>	<u>-</u>
<b>Taxation on profit on ordinary activities</b>	<u>-</u>	<u>-</u>

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

9. Taxation (continued)

Factors affecting tax charge for the period/year

The tax assessed for the period/year is the same as (2017 - the same as) the standard rate of corporation tax in the UK of 19% (2017 - 20%) as set out below:

	2018 £	2017 £
Loss on ordinary activities before tax	<u>(22,271)</u>	<u>(18,576)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	(4,231)	(3,715)
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	310
Non-taxable income	-	(453)
Unrelieved tax losses carried forward	-	3,858
Group relief	4,277	-
Other tax adjustments	(46)	-
<b>Total tax charge for the period/year</b>	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

Reductions in the UK corporation tax rate from 19% to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. A further reduction to the UK corporation tax rate was announced in the 2016 Budget to further reduce the tax rate to 17% (to be effective from 1 April 2020). This will reduce the company's future current tax charge accordingly. The deferred tax liability at the balance sheet date has been calculated based on the rate of 17% substantively enacted at the balance sheet date.

APM HEALTHCARE LIMITED

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

10. Tangible fixed assets

	Fixtures and fittings £
<b>Cost or valuation</b>	
At 1 July 2017	686
At 31 March 2018	<u>686</u>
<b>Depreciation</b>	
At 1 July 2017	686
At 31 March 2018	<u>686</u>
<b>Net book value</b>	
At 31 March 2018	<u><u>-</u></u>
<i>At 30 June 2017</i>	<u><u>-</u></u>

11. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 July 2017	100
At 31 March 2018	<u>100</u>
<b>Net book value</b>	
At 31 March 2018	<u><u>100</u></u>
<i>At 30 June 2017</i>	<u><u>100</u></u>

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

11. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Community Pharmacies (UK) Limited	Ordinary	100 %	The provision of management services to pharmacies

12. Debtors

	31 March 2018 £	30 June 2017 £
Amounts owed by group undertakings	2,764,764	2,512,915
Other debtors	18,858	11,880
	<u>2,783,622</u>	<u>2,524,795</u>

13. Cash and cash equivalents

	31 March 2018 £	30 June 2017 £
Cash at bank and in hand	9,069	288,127
	<u>9,069</u>	<u>288,127</u>

APM HEALTHCARE LIMITED

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

14. Creditors: Amounts falling due within one year

	31 March 2018 £	30 June 2017 £
Trade creditors	1,443	372
Amounts owed to group undertakings	2,207,602	-
Other creditors	-	2,207,602
Accruals and deferred income	17,690	16,721
	<u>2,226,735</u>	<u>2,224,695</u>

15. Financial instruments

	31 March 2018 £	30 June 2017 £
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	9,069	288,127
Financial assets measured at amortised cost	2,783,622	2,524,795
	<u>2,792,691</u>	<u>2,812,922</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(2,226,735)</u>	<u>(2,224,695)</u>

16. Share capital

	31 March 2018 £	30 June 2017 £
<b>Allotted, called up and fully paid</b>		
100,000 Ordinary shares shares of £0.001 each	100	100
74,000 'A' Ordinary shares shares of £0.001 each	74	74
	<u>174</u>	<u>174</u>



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

---

**17. Reserves**

**Profit and loss account**

The profit and loss reserve represents cumulative profits or losses, including net of dividends paid and other adjustments.

**18. Commitments under operating leases**

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

**19. Related party transactions**

The amounts owed by group undertakings within Debtors include £2,753,282 (2017: £2,510,113) owed by Community Pharmacies (UK) Limited, the wholly owned subsidiary of APM Healthcare Limited.

Interest includes interest receivable of £nil (2017: £414,330) from Community Pharmacies (U.K.) Limited. This amount relates to a recharge of interest and similar charges on the Day Lewis Plc loans.

The amounts owed to group undertakings within Creditors include £2,207,602 (2017: £nil) owed to Day Lewis Plc, the parent company of APM Healthcare Limited.

The following entities are all associated companies as they are 50% owned by Community Pharmacies (UK) Limited.

APM Healthcare Limited was owed £5,053 (2017: £2,079) by Priory Fields Healthcare LLP at the period ended 31 March 2018.

APM Healthcare Limited was owed £445 (2017: £300) by Newton Place Healthcare LLP at the period ended 31 March 2018.

APM Healthcare Limited was owed £374 (2017: £424) by Denmark Street Healthcare LLP at the period ended 31 March 2018.

APM Healthcare Limited was owed £265 (2017: £nil) by Arlington Road Healthcare LLP at the period ended 31 March 2018.

APM Healthcare Limited was owed £1,091 (2017: £nil) by Crewkerne Healthcare LLP at the period ended 31 March 2018.

APM Healthcare Limited was owed £392 (2017: £nil) by Stockton Heath Healthcare LLP at the period ended 31 March 2018.

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

---

**20. Controlling party**

The company's immediate parent company is Day Lewis plc, a company registered in England and Wales.

It prepares group accounts which are available at Day Lewis House, 2 Peterwood Way, Croydon, Surrey CR0 4UQ.

The ultimate parent company is Day Lewis Holdings Limited, a company registered in Cyprus and controlled by the executors of the Kirit Patel Estate.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.