

COMPANY REGISTRATION NUMBER: 04250412

BLUECROSS HEALTH LIMITED
Filleted Unaudited Financial Statements
28 February 2017

HOWELL DAVIES LIMITED

Chartered Accountants
Tudor House
37a Birmingham New Road
Wolverhampton
West Midlands
WV4 6BL



BLUECROSS HEALTH LIMITED

Financial Statements

Year ended 28 February 2017

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BLUECROSS HEALTH LIMITED

Officers and Professional Advisers

Director	AS Porbanderwalla
Company Secretary	AS Porbanderwalla
Registered Office	39 Bennetts Road North Keresley End Coventry West Midlands CV7 8JX
Accountants	Howell Davies Limited Chartered Accountants Tudor House 37a Birmingham New Road Wolverhampton West Midlands WV4 6BL

BLUECROSS HEALTH LIMITED

Chartered Accountants Report to the Director on the Preparation of the Unaudited Statutory Financial Statements of Bluecross Health Limited

Year ended 28 February 2017

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Bluecross Health Limited for the year ended 28 February 2017, which comprise the statement of financial position and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at www.icaew.com/en/membership/regulations-standards-and-guidance.

Our work has been undertaken in accordance with ICAEW Technical Release 07/16 AAF as detailed at www.icaew.com/compilation.



HOWELL DAVIES LIMITED
Chartered Accountants

Tudor House
37a Birmingham New Road
Wolverhampton
West Midlands
WV4 6BL

16 November 2017

BLUECROSS HEALTH LIMITED

Statement of Financial Position

28 February 2017

Company registration number: 04250412

	Note	2017 £	2016 £
Fixed Assets			
Intangible assets	5	314,748	371,248
Tangible assets	6	45,452	55,140
Investments	7	405,400	405,400
		<u>765,600</u>	<u>831,788</u>
Current Assets			
Stocks		51,800	39,720
Debtors	8	221,489	195,564
Cash at bank and in hand		7,078	23,507
		<u>280,367</u>	<u>258,791</u>
Creditors: amounts falling due within one year	9	<u>197,121</u>	<u>318,273</u>
Net Current Assets/(Liabilities)		<u>83,246</u>	<u>(59,482)</u>
Total Assets Less Current Liabilities		<u>848,846</u>	<u>772,306</u>
Creditors: amounts falling due after more than one year	10	820,915	784,092
Provisions			
Taxation including deferred tax		7,046	-
Net Assets/(Liabilities)		<u>20,885</u>	<u>(11,786)</u>
Capital and Reserves			
Called up share capital		102	102
Profit and loss account		20,783	(11,888)
Shareholders Funds/(Deficit)		<u>20,885</u>	<u>(11,786)</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 has not been delivered. For the year ending 28 February 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. Director's 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 director acknowledges his responsibilities for complying with the requirements of the Act 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 16 November 2017, and are signed on behalf of the board by:



AS Porbanderwalla
Director

The notes on pages 4 to 11 form part of these financial statements.

BLUECROSS HEALTH LIMITED

Notes to the Financial Statements

Year ended 28 February 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 39 Bennetts Road North, Keresley End, Coventry, West Midlands, CV7 8JX.

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

These financial statements are prepared on a going concern basis on the validity of the assumption of continued financial support in the form of agreed deferral of payment of the related company loan.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 March 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 11.

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.

BLUECROSS HEALTH LIMITED

Notes to the Financial Statements *(continued)*

Year ended 28 February 2017

3. Accounting Policies *(continued)*

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.

Key sources of estimation uncertainty:-

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

(i) Useful economic lives of tangible assets:-

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

(ii) Useful economic lives of intangible assets:-

The annual amortisation charge for intangible assets such as goodwill is sensitive to changes in the estimated useful economic lives of those assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, economic utilisation and the operational aspects of those assets.

Revenue Recognition

Turnover for the year represents PPD sales and over the counter sales and is measured at the fair value of the consideration received or receivable, excluding value added tax.

Revenue from the sale of goods or over the counter cash sales are recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. This is usually on despatch of those goods where 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. PPD turnover is recognised according to the month which the services relate.

BLUECROSS HEALTH LIMITED

Notes to the Financial Statements *(continued)*

Year ended 28 February 2017

3. Accounting Policies *(continued)*

Current and Deferred 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.

Goodwill

Goodwill arises on retail chemist acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business. Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life which the directors consider to be ten years. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed five years.

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
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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. 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.

BLUECROSS HEALTH LIMITED

Notes to the Financial Statements *(continued)*

Year ended 28 February 2017

3. Accounting Policies *(continued)*

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:

Short leasehold property improvements	-	10% straight line
Fixtures, fittings & equipment	-	15% straight line

Investments

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

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.

Stocks

Retail chemist shop stock is measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase incurred in bringing the stock to its present location and condition. The company engages an independent professional valuer to value stocks.

When stocks are sold, the carrying amount of those stocks is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of stocks to net realisable value and all losses of stocks are recognised as an expenses in the period in which the write-down or loss occurs. The amount of any reversal of any write-down of stocks is recognised as an expense in the period in which the reversal occurs.

BLUECROSS HEALTH LIMITED

Notes to the Financial Statements *(continued)*

Year ended 28 February 2017

3. Accounting Policies *(continued)*

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.

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.

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.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics. Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

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. Employee Numbers

The average number of persons employed by the company during the year amounted to 7 (2016: 5).

BLUECROSS HEALTH LIMITED

Notes to the Financial Statements *(continued)*

Year ended 28 February 2017

5. Intangible Assets

	Goodwill £
Cost	
At 1 March 2016 and 28 February 2017	565,000
Amortisation	
At 1 March 2016	193,752
Charge for the year	56,500
At 28 February 2017	<u>250,252</u>
Carrying amount	
At 28 February 2017	314,748
At 29 February 2016	<u>371,248</u>

6. Tangible Assets

	Leasehold Property Improvement £	Fixtures and fittings £	Total £
Cost			
At 1 March 2016	26,660	74,196	100,856
Additions	—	2,198	2,198
At 28 February 2017	<u>26,660</u>	<u>76,394</u>	<u>103,054</u>
Depreciation			
At 1 March 2016	11,584	34,132	45,716
Charge for the year	2,666	9,220	11,886
At 28 February 2017	<u>14,250</u>	<u>43,352</u>	<u>57,602</u>
Carrying amount			
At 28 February 2017	<u>12,410</u>	<u>33,042</u>	<u>45,452</u>
At 29 February 2016	<u>15,076</u>	<u>40,064</u>	<u>55,140</u>

BLUECROSS HEALTH LIMITED

Notes to the Financial Statements (continued)

Year ended 28 February 2017

7. Investments

	Shares in group undertakings £
Cost	
At 1 March 2016 and 28 February 2017	405,400
Impairment	
At 1 March 2016 and 28 February 2017	—
Carrying amount	
At 28 February 2017	405,400
At 29 February 2016	405,400

The company owns 66.67% of the ordinary share capital of Lawton Pharmacy Consultants Limited a company operating as retail chemists. Lawton Pharmacy Consultants Limited prepares its accounts to 30th November each year. The aggregate amount of share capital and reserves of Lawton Pharmacy Consultants Limited as at 30th November 2016 was £15,027 (2015: (£12,043)) and the profit for the year ended on that date was £27,070 (2015: Loss £13,038).

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

8. Debtors

	2017 £	2016 £
Trade debtors	142,445	169,469
Other debtors	79,044	26,095
	<u>221,489</u>	<u>195,564</u>

9. Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts	—	4,942
Trade creditors	186,813	275,458
Amounts owed to group undertakings	1,157	1,157
Social security and other taxes	439	2,342
Other creditors	8,712	34,374
	<u>197,121</u>	<u>318,273</u>

BLUECROSS HEALTH LIMITED

Notes to the Financial Statements *(continued)*

Year ended 28 February 2017

10. Creditors: amounts falling due after more than one year

	2017 £	2016 £
Bank loans and overdrafts	—	16,061
Loan from related company	820,915	768,031
	<u>820,915</u>	<u>784,092</u>

11. Transition to FRS 102

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

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