

COMPANY REGISTRATION NUMBER: 08383003

Pharma Medico Limited
Annual report and Financial Statements
31 December 2016

TUESDAY



A6I870KQ

A30

31/10/2017

#382

COMPANIES HOUSE

Pharma Medico Limited
Officers and Professional Advisers

Contents	Page
Officers and professional advisers	3
Directors' report	4
Independent auditor's report to the member	6
Statement of income and retained earnings	8
Statement of financial position	9
Notes to the financial statements	10

Pharma Medico Limited
Officers and Professional Advisers

The board of directors

Mr C J Keeble
Mr G S Cleall-Harding

Company secretary

Jordan Cosec Limited

Registered office

21 Thomas Street
Bristol
Avon
BS1 6JS

Auditor

Deloitte LLP
Statutory auditor
3 Rivergate
Temple Quay
Bristol
BS1 6GD

Pharma Medico Limited

Directors' Report

Year ended 31 December 2016

The directors present their report and the financial statements of the company for the year ended 31 December 2016.

Directors

The directors who served the company during the year and subsequently, were as follows:

Mr C J Keeble
Mr G S Cleall-Harding

Directors' responsibilities statement

The directors are responsible for preparing 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Pharma Medico Limited

Directors' Report *(continued)*

Year ended 31 December 2016

This report was approved by the board of directors on 29th September 2017 and signed on behalf of the board by:

A handwritten signature in black ink, consisting of a stylized 'C' and 'K' followed by a horizontal line.

Mr C J Keeble
Director

Registered office:
21 Thomas Street
Bristol
Avon
BS1 6JS

Pharma Medico Limited

Independent Auditor's Report to the Member of Pharma Medico Limited

Year ended 31 December 2016

We have audited the financial statements of Pharma Medico Limited for the year ended 31 December 2016 which comprise the statement of comprehensive income and retained earnings incorporating the profit and loss account, statement of financial position and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

Pharma Medico Limited

Independent Auditor's Report to the Member of Pharma Medico Limited

(continued)

Year ended 31 December 2016

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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; and
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Jason Parsons

Jason Parsons (Senior statutory auditor)

Statutory auditor

For and behalf of

Deloitte LLP

Bristol, United Kingdom

31 October 2017

Pharma Medico Limited

Statement of Comprehensive Income and Retained Earnings, incorporating the Profit and Loss account.

Year ended 31 December 2016

	Note	2016 £	2015 £
Turnover		2,552,287	2,280,478
Cost of sales		(1,670,415)	(1,452,235)
Gross profit		<u>881,872</u>	<u>828,243</u>
Distribution costs		(38,926)	(35,475)
Administrative expenses		(868,365)	(870,216)
Operating loss		<u>(25,419)</u>	<u>(77,447)</u>
Other interest receivable and similar income		–	4
Interest payable and similar expenses		(6)	(3)
Loss before taxation	5	<u>(25,425)</u>	<u>(77,446)</u>
Tax on loss		–	682
Loss for the financial year and total comprehensive income		<u>(25,425)</u>	<u>(76,764)</u>
Retained (losses)/earnings at the start of the year		<u>(57,347)</u>	19,417
Retained losses at the end of the year		<u>(82,772)</u>	<u>(57,347)</u>

All the activities of the company are from continuing operations.

The company has no other comprehensive income other than the results for the year as set out above.

The notes on pages 10 to 14 form part of these financial statements.

Pharma Medico Limited
Statement of Financial Position
31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Intangible assets	6	-	21,875
Tangible assets	7	14,811	17,424
		<u>14,811</u>	<u>39,299</u>
Current assets			
Stocks	8	446,227	363,064
Debtors	9	849,107	599,283
Cash at bank and in hand		28,571	3,217
		<u>1,323,905</u>	<u>965,564</u>
Creditors: amounts falling due within one year	10	<u>(1,420,488)</u>	<u>(1,061,210)</u>
Net current liabilities		<u>(96,583)</u>	<u>(95,646)</u>
Total assets less current liabilities , being net liabilities		<u>(81,772)</u>	<u>(56,347)</u>
Capital and reserves			
Called up share capital		1,000	1,000
Profit and loss account		<u>(82,772)</u>	<u>(57,347)</u>
Shareholders' deficit		<u>(81,772)</u>	<u>(56,347)</u>

These financial statements have been prepared 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'.

The financial statements of Pharma Medico Limited (registered number: 08383003) were approved by the board of directors and authorised for issue on 29th September 2017, and are signed on behalf of the board by:



Mr C J Keeble
Director

Company registration number: 08383003

The notes on pages 10 to 14 form part of these financial statements.

Pharma Medico Limited
Notes to the financial statements
Year ended 31 December 2016

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 21 Thomas Street, Bristol, Avon, BS1 6JS.

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 under the historical cost convention, and in accordance with applicable UK accounting standards. They have been consistently applied during the current and the prior financial year.

Going concern

The directors have assessed the balance sheet and likely future cash flows of the company at the date of approving the financial statements. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

However, due to the current financial position and the uncertainty over future trading performance, the directors have received written confirmation from the parent company, Pharma Medico UK Limited, stating that they will provide financial support for a period no shorter than twelve months from the date of approval of these financial statements.

Accordingly, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 14.

Turnover

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

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); 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.

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:

Pharma Medico Limited
Notes to the financial statements
Year ended 31 December 2016

Plant and machinery – 15% reducing balance
Equipment – 15% 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.

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.

Intangible assets

Intangible assets relate to the right to access customer relationships. This is included at cost and amortised over the period of the agreement. Provision is made for any impairment.

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.

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.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Timing differences are differences between the taxable profits and its results stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different for which they are recognised in the financial statements.

A net deferred asset is recognised only if regarded as recoverable, on the basis of all available evidence, if it can be regarded as more likely than not that there will be suitable taxable profits from which future reversal of underlying timing differences can be deducted.

4. Employee numbers

The average number of persons employed by the company during the year, including the directors, amounted to 6 (2015: 5).

Pharma Medico Limited
Notes to the financial statements
Year ended 31 December 2016

5. Loss before taxation

Loss before taxation is stated after charging:

	2016	2015
	£	£
Depreciation of tangible assets	2,614	3,074
Amortisation	21,875	78,750
Fees payable to the Company's auditor for the audit of the Company's financial statements	<u>13,000</u>	<u>12,584</u>

6. Intangible assets

	Customer relationship £
Cost	
At 1 Jan 2016 and 31 Dec 2016	<u>100,625</u>
Depreciation	
At 1 January 2016	78,750
Charge for the year	<u>21,875</u>
At 31 December 2016	<u>100,625</u>
Carrying amount	
At 31 December 2016	<u>-</u>
At 31 December 2015	<u>21,875</u>

7. Tangible assets

	Plant and machinery £	Equipment £	Total £
Cost			
At 1 Jan 2016 and 31 Dec 2016	<u>19,097</u>	<u>5,720</u>	<u>24,817</u>
Depreciation			
At 1 January 2016	6,143	1,250	7,393
Charge for the year	<u>1,942</u>	<u>671</u>	<u>2,613</u>
At 31 December 2016	<u>8,085</u>	<u>1,921</u>	<u>10,006</u>
Carrying amount			
At 31 December 2016	<u>11,012</u>	<u>3,799</u>	<u>14,811</u>
At 31 December 2015	<u>12,955</u>	<u>4,470</u>	<u>17,424</u>

Pharma Medico Limited
Notes to the financial statements
Year ended 31 December 2016

8. Stocks

	2016	2015
	£	£
Finished goods	446,227	363,064
	<u>446,227</u>	<u>363,064</u>

9. Debtors

	2016	2015
	£	£
Trade debtors	826,008	583,234
Other debtors	23,099	16,049
	<u>849,107</u>	<u>599,283</u>

10. Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	96,080	120,867
Amounts owed to group undertakings	1,131,446	773,183
Social security and other taxes	96,413	79,939
Other creditors	96,549	16,150
Provision	-	21,875
	<u>1,420,488</u>	<u>1,061,210</u>

11. Related party transactions

At the end of the year the company owed £1,131,446 (2015: £773,183) to an associated company, Pharma Medico International. During the year the company purchased goods to the value of £1,767,721 (2015: £1,402,635) from Pharma Medico International.

At the end of the year there was also £300 (2015: £700) due to the company from a loan to a member of the directors family.

12. Financial commitments

Pharma Medico Limited
Notes to the financial statements
Year ended 31 December 2016

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

	2016	2015
	£	£
- within one year	23,000	23,000
- between one and five years	92,000	92,000
- after five years	55,583	78,583
	<u>170,583</u>	<u>193,583</u>

13. Controlling party

The company is a wholly owned subsidiary of Pharma Medico UK Limited, a company registered in England and Wales. Pharma Medico UK Limited is a wholly owned subsidiary of Pharma Medico Holdings Limited.

The ultimate parent company and controlling company is Pharma Medico Holdings Limited, a company incorporated and registered in Gibraltar. As the group qualifies as a small group it is able to take advantage of the exemption to not produce group financial statements.

14. Transition to FRS 102

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

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