COMPANY REGISTRATION NUMBER: 08383003

Pharma Medico Limited

Financial Statements

31 December 2017



Pharma Medico Limited

Financial Statements

Year ended 31 December 2017

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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	First Floor Templeback 10 Temple Back Bristol BS1 6FL
Auditor	Deloitte LLP 3 Rivergate Temple Quay Bristol BS1 6GD

Pharma Medico Limited

Directors' Report *(continued)*

Year ended 31 December 2017

The directors present their report and the audited financial statements of the company for the year ended 31 December 2017.

Directors

The directors of the company are:

Mr C J Keeble
Mr G S Cleall-Harding

Directors' responsibilities statement

The directors are responsible for preparing the Annual 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 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 and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- 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 s487 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.

This report was approved by the board of directors on 4th July 2018 and signed on behalf of the board by:

Mr C J Keeble
Director

Registered office:
First Floor Templeback
10 Temple Back
Bristol
BS1 6FL

Pharma Medico Limited

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

Year ended 31 December 2017

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 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.

We have audited the financial statements of Pharma Medico Limited (the 'company') which comprise:

- the statement of income and retained earnings;
- the statement of financial position; and
- the related notes.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

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

Year ended 31 December 2017

Report on other legal and regulatory requirements

Opinions on other matters 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.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters 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; or
- 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 from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Jason Parsons

Jason Parsons ACA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory auditor
Bristol, United Kingdom

4 July 2018

Pharma Medico Limited

Statement of Income and Retained Earnings

Year ended 31 December 2017

	Note	2017 £	2016 £
Turnover		2,559,058	2,552,287
Cost of sales		1,698,965	1,670,415
Gross profit		**860,093**	**881,872**
Distribution costs		38,228	38,926
Administrative expenses		795,797	868,365
Operating profit/(loss)		**26,068**	**(25,419)**
Interest payable and similar expenses		–	6
Profit/(loss) before taxation	6	**26,068**	**(25,425)**
Tax on profit/(loss)		–	–
Profit/(loss) for the financial year and total comprehensive income		**26,068**	**(25,425)**
Retained losses at the start of the year		**(82,772)**	**(57,347)**
Retained losses at the end of the year		**(56,704)**	**(82,772)**

All the activities of the company are from continuing operations.

The notes on pages 9 to 12 form part of these financial statements.

Pharma Medico Limited

Statement of Financial Position

31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	7	**12,587**	**14,811**
Current assets			
Stocks		525,829	446,227
Debtors	8	726,635	849,107
Cash at bank and in hand		-	28,571
		1,252,464	**1,323,905**
Creditors: amounts falling due within one year	9	**(1,320,755)**	**(1,420,488)**
Net current liabilities		**(68,291)**	**(96,583)**
Total assets less current liabilities		**(55,704)**	**(81,772)**
Net liabilities		**(55,704)**	**(81,772)**
Capital and reserves			
Called up share capital		1,000	1,000
Profit and loss account		(56,704)	(82,772)
Shareholder deficit		**(55,704)**	**(81,772)**

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'.

These financial statements were approved by the board of directors and authorised for issue on 4th July 2018, and are signed on behalf of the board by:

Mr C J Keeble
Director

Company registration number: 08383003

The notes on pages 9 to 12 form part of these financial statements.

Pharma Medico Limited

Notes to the Financial Statements

Year ended 31 December 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 First Floor Templeback, 10 Temple Back, Bristol, BS1 6FL.

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 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 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.

Revenue recognition

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.

Revenue 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. 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.

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

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

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.

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.

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. Auditor's remuneration

	2017	2016
	£	£
Fees payable for the audit of the financial statements	11,400	13,000
Fees payable for taxation services	4,050	3,600

5. Employee numbers

The average number of persons employed by the company during the year amounted to 6 (2016: 6).

6. Profit before taxation

Profit/(loss) before taxation is stated after charging:

	2017	2016
	£	£
Depreciation of tangible assets	2,224	2,614

7. Tangible assets

	Plant and machinery	Equipment	Total
	£	£	£
Cost			
At 1 January 2017 and 31 December 2017	19,097	5,720	**24,817**
Depreciation			
At 1 January 2017	8,085	1,921	**10,006**
Charge for the year	1,654	570	**2,224**
At 31 December 2017	9,739	2,491	**12,230**
Carrying amount			
At 31 December 2017	**9,358**	**3,229**	**12,587**
At 31 December 2016	**11,012**	**3,799**	**14,811**

8. Debtors

	2017	2016
	£	£
Trade debtors	703,929	826,008
Other debtors	22,706	23,099
	726,635	**849,107**

9. Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts	4,125	-
Trade creditors	108,898	96,080
Amounts owed to group undertakings and undertakings in which the company has a participating interest	1,060,913	1,131,446
Social security and other taxes	94,618	96,413
Other creditors	52,201	96,549
	1,320,755	**1,420,488**

10. Operating leases

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

	2017 £	2016 £
Not later than 1 year	23,000	23,000
Later than 1 year and not later than 5 years	92,000	92,000
Later than 5 years	32,583	55,583
	147,583	**170,583**

11. Related party transactions

At the end of the year the company owed £1,060,913 (2016: £1,131,446) to an associated company, Pharma Medico International. During the year the company purchased goods to the value of £1,648,051 (2016: £1,767,721) from Pharma Medico International.

12. Controlling party

The company is a wholly owned subsidiary of Pharma Medico UK Limited, a company registered in England and Wales, number 03898207 with its registered office at First Floor Templeback, 10 Temple Back, Bristol, United Kingdom BS1 6FL.

Pharma Medico UK Limited is a wholly owned subsidiary of Pharma Medico Holdings Limited, which is the ultimate parent and controlling company.

Pharma Medico Holdings Limited is a company registered in Gibraltar, number 110243 with its registered office at 19A, Town Range, Gibraltar.

As the group qualifies as a small group it is able to take advantage of the exemption to not produce group financial statements.