Company Registration No. SC109313 (Scotland)

NORVIK PHARMACIES LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

PAGES FOR FILING WITH REGISTRAR

NORVIK PHARMACIES LIMITED

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NORVIK PHARMACIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2018

	2018 £	2017 £
Profit for the year	300,035	313,027
Other comprehensive income		
Revaluation of tangible fixed assets	-	(110,118)
Total comprehensive income for the year	300,035	202,909

NORVIK PHARMACIES LIMITED

BALANCE SHEET

AS AT 31 MARCH 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	5		328,655		213,885
Current assets					
Stocks		269,008		292,880	
Debtors	6	345,005		330,892	
Cash at bank and in hand		841,683		745,925	
		1,455,696		1,369,697	
Creditors: amounts falling due within one year	7	(692,526)		(776,532)	
Net current assets			763,170		593,165
Total assets less current liabilities			1,091,825		807,050
Provisions for liabilities			(31,737)		(20,997)
Net assets			1,060,088		786,053
Capital and reserves					
Called up share capital	8		10,000		10,000
Profit and loss reserves			1,050,088		776,053
Total equity			1,060,088		786,053

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 March 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2018

The financial statements were approved by the board of directors and authorised for issue on 19 October 2018 and are signed on its behalf by:

A J S Farquhar
Director

Company Registration No. SC109313

NORVIK PHARMACIES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Share capital	Revaluation reserve	Profit and loss reserves	Total
		£	£	£	£
Balance at 1 April 2016		10,000	110,118	818,026	938,144
Year ended 31 March 2017:					
Profit for the year		-	-	313,027	313,027
Other comprehensive income:					
Revaluation of tangible fixed assets		-	(110,118)	-	(110,118)
Total comprehensive income for the year		-	(110,118)	313,027	202,909
Dividends		-	-	(355,000)	(355,000)
Balance at 31 March 2017		10,000	-	776,053	786,053
Year ended 31 March 2018:					
Profit and total comprehensive income for the year		-	-	300,035	300,035
Dividends		-	-	(26,000)	(26,000)
Balance at 31 March 2018		10,000	-	1,050,088	1,060,088

1 Accounting policies

Company information

Norvik Pharmacies Limited is a private company limited by shares incorporated in Scotland. The registered office is 17 Cluny Square, Buckie, Banffshire, AB56 1HA.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

At the time 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. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1 Accounting policies **(Continued)**

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Straight line over 15 years
Fixtures and fittings	Straight line 20%

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1 Accounting policies **(Continued)**

1.8 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

1 Accounting policies **(Continued)**

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

2 Exceptional costs/(income)

	2018	2017
	£	£
Profit on sale of property	-	(110,118)

During the prior year, property was sold which generated a profit of £110,118.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 51 (2017 - 51).

4 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 April 2017 and 31 March 2018	101,873
Amortisation and impairment	
At 1 April 2017 and 31 March 2018	101,873
Carrying amount	
At 31 March 2018	-
At 31 March 2017	-

5 Tangible fixed assets

	Leasehold improvements	Fixtures and fittings	Total
	£	£	£
Cost			
At 1 April 2017	197,846	154,876	352,722
Additions	127,392	27,916	155,308
Disposals	-	(18,484)	(18,484)
At 31 March 2018	325,238	164,308	489,546
Depreciation and impairment			
At 1 April 2017	49,993	88,844	138,837
Depreciation charged in the year	16,970	23,180	40,150
Eliminated in respect of disposals	-	(18,096)	(18,096)
At 31 March 2018	66,963	93,928	160,891
Carrying amount			
At 31 March 2018	258,275	70,380	328,655
At 31 March 2017	147,854	66,031	213,885

6 Debtors

Amounts falling due within one year:	2018 £	2017 £
Trade debtors	271,330	207,629
Other debtors	73,675	123,263
	345,005	330,892

7 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	500,790	522,494
Amounts due to group undertakings	2,467	56,900
Corporation tax	49,177	57,395
Other taxation and social security	12,933	14,264
Other creditors	127,159	125,479
	692,526	776,532

8 Called up share capital

	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
10,000 Ordinary shares of £1 each	10,000	10,000
	10,000	10,000

9 Financial commitments, guarantees and contingent liabilities

The company operates a defined contribution pension scheme. The annual commitment under this scheme is for contributions of £1,800 (2017 - £1,800).

10 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2018	2017
	£	£
Total commitments	178,500	210,390

11 Related party transactions

The following amounts were outstanding at the reporting end date:

	2017 Balance
Amounts owed in previous period	£
Key management personnel	40,000

12 Directors' transactions

A loan has been provided to the company by its director as follows:

Description	% Rate	Opening balance	Amounts advanced	Amounts repaid	Closing balance
		£	£	£	£
Director loan account	-	66,800	40,000	(17,057)	89,743
		66,800	40,000	(17,057)	89,743

The amount is unsecured, interest free and repayable on demand.

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