

Registration number: 02909396

Gaelpharm Limited

Annual Report and Financial Statements

for the Year Ended 31 January 2016

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Gaelpharm Limited

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Gaelpharm Limited

Company Information

Directors	Mrs S Melrose D Winchester
Company secretary	Thorntons Law LLP
Registered office	5 Old Bailey London EC4M 7BA
Bankers	Clydesdale Bank plc 43 Broad Street Peterhead Aberdeenshire AB42 1JB
Auditors	Murray Taylor (Scotland) Limited Chartered Certified Accountants 10 Murray Lane Montrose Angus DD10 8LF

Gaelpharm Limited

Strategic Report for the Year Ended 31 January 2016

The Directors present their strategic report for the year ended 31 January 2016.

Principal activity

The principal activity of the company is retail chemists

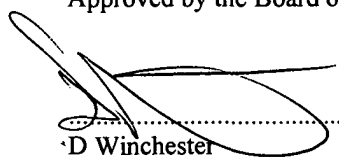
Fair review of the business

During the the the company sold 2 out of its 3 pharmacies as part of a group reorganisation. This resulted in a profit of £764,431 on the sale of these pharmacies, therefore the company pre-tax profit, excluding the sale, amounted to £52,504. Given that last year saw the company make a loss of £119,484, the directors are pleased with the overall trading results. It is anticipated that the company will continue to make a profit from the remaining pharmacy.

Principal risks and uncertainties

The company's operations exposed it to a variety of financial risks that include the effects of changes in debt, market prices, credit risk, liquidity risk, interest rate risk and exchange rate risk. The company directors closely monitor these risks on an ongoing basis to seek to limit any adverse conditions which may affect the financial performance of the company.

Approved by the Board on 27 October 2016 and signed on its behalf by:



D Winchester
Director

Gaelpharm Limited

Directors' Report for the Year Ended 31 January 2016

The Directors present their report and the financial statements for the year ended 31 January 2016.

Directors of the Company

The directors who held office during the year were as follows:

Mrs S Melrose

D Winchester

Dividends

The directors recommend a final dividend payment of £Nil be made in respect of the financial year ended 31 January 2016. This dividend has not been recognised as a liability in the financial statements.

Financial instruments

Objectives and policies

The group directors closely monitor the cashflow requirements of the business as this is deemed the most important factor in the successful running of the company.

Price risk, credit risk, liquidity risk and cash flow risk

The company's operations expose it to a variety of financial risks that include the effects of changes in debt, market prices, credit risk, liquidity risk, interest rate risk and exchange rate risk. The company directors closely monitor these risks on an ongoing basis to seek to limit any adverse conditions which may affect the financial performance of the company.

Future developments

Given that 2 out of the 3 pharmacies have been sold in the year, the company will continue to trade from the remaining pharmacy and remain profitable for the foreseeable future.

Gaelpharm Limited

Directors' Report for the Year Ended 31 January 2016

Statement of directors' responsibilities

The Directors acknowledge their responsibilities 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). 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 apply them consistently;
- make judgements 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; 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.

Disclosure of information to the auditors

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 27 October 2016 and signed on its behalf by:



D Winchester
Director

Gaelpharm Limited

Independent Auditor's Report to the Members of Gaelpharm Limited

We have audited the financial statements of Gaelpharm Limited for the year ended 31 January 2016, set out on pages 7 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Report, 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 (APB's) Ethical Standards for Auditors to the financial statements.

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 Annual 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 the 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 January 2016 and of its profit 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 the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

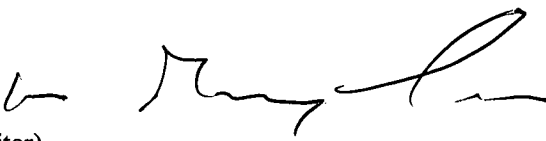
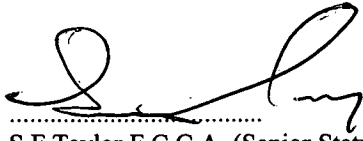
Matters on which we are required to report by exception

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.

Gaelpharm Limited

Independent Auditor's Report to the Members of Gaelpharm Limited



S F Taylor F.C.C.A. (Senior Statutory Auditor)

For and on behalf of Murray Taylor (Scotland) Limited, Statutory Auditor

10 Murray Lane
Montrose
Angus
DD10 8LF

27 October 2016

Gaelpharm Limited

Profit and Loss Account for the Year Ended 31 January 2016

	Note	2016 £	2015 £
Turnover	3	2,109,017	2,188,735
Cost of sales		<u>(1,860,549)</u>	<u>(2,000,547)</u>
Gross profit		248,468	188,188
Administrative expenses		557,902	(321,328)
Other operating income		<u>12,048</u>	<u>17,503</u>
Operating profit/(loss)	5	<u>818,418</u>	<u>(115,637)</u>
Interest payable and similar charges	6	<u>(1,483)</u>	<u>(3,847)</u>
		<u>(1,483)</u>	<u>(3,847)</u>
Profit/(loss) before tax		816,935	(119,484)
Taxation	10	<u>(133,710)</u>	<u>-</u>
Profit/(loss) for the financial year		<u><u>683,225</u></u>	<u><u>(119,484)</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

Gaelpharm Limited

Statement of Comprehensive Income for the Year Ended 31 January 2016

	Note	2016 £	2015 £
Profit/(loss) for the year		<u>683,225</u>	<u>(119,484)</u>
Total comprehensive income for the year		<u><u>683,225</u></u>	<u><u>(119,484)</u></u>


The notes on pages 12 to 26 form an integral part of these financial statements.

Gaelpharm Limited

(Registration number: 02909396)
Balance Sheet as at 31 January 2016

	Note	2016 £	2015 £
Fixed assets			
Intangible assets	11	-	172,562
Tangible assets	12	49,960	377,598
Investments	13	510	510
		<u>50,470</u>	<u>550,670</u>
Current assets			
Stocks	14	40,895	188,583
Debtors	15	1,318,253	272,738
Cash at bank and in hand		62,278	124,211
		<u>1,421,426</u>	<u>585,532</u>
Creditors: Amounts falling due within one year	17	<u>(302,073)</u>	<u>(649,604)</u>
Net current assets/(liabilities)		<u>1,119,353</u>	<u>(64,072)</u>
Net assets		<u>1,169,823</u>	<u>486,598</u>
Capital and reserves			
Called up share capital	18	41	41
Capital redemption reserve		51,037	51,037
Profit and loss account		<u>1,118,745</u>	<u>435,520</u>
Total equity		<u>1,169,823</u>	<u>486,598</u>

Approved and authorised by the Board on 27 October 2016 and signed on its behalf by:



D Winchester
Director

The notes on pages 12 to 26 form an integral part of these financial statements.

Gaelpharm Limited

Statement of Changes in Equity for the Year Ended 31 January 2016

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 February 2015	41	51,037	435,520	486,598
Profit for the year	-	-	683,225	683,225
Total comprehensive income	-	-	683,225	683,225
At 31 January 2016	41	51,037	1,118,745	1,169,823
	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 February 2014	41	51,037	555,004	606,082
Loss for the year	-	-	(119,484)	(119,484)
Total comprehensive income	-	-	(119,484)	(119,484)
At 31 January 2015	41	51,037	435,520	486,598

The notes on pages 12 to 26 form an integral part of these financial statements.
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Gaelpharm Limited

Statement of Cash Flows for the Year Ended 31 January 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Profit/(loss) for the year		683,225	(119,484)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	43,633	59,088
Profit on disposal of tangible assets	4	(78,613)	-
Profit on disposal of intangible assets	4	(685,818)	-
Finance costs	6	1,483	3,847
Income tax expense	10	133,710	-
		<u>97,620</u>	<u>(56,549)</u>
Working capital adjustments			
Decrease/(increase) in stocks	14	147,688	(27,207)
Increase in trade debtors	15	(1,045,515)	(111,664)
(Decrease)/increase in trade creditors	17	<u>(491,284)</u>	<u>230,112</u>
Cash generated from operations		(1,291,491)	34,692
Income taxes (paid)/received	10	<u>(35)</u>	<u>35</u>
Net cash flow from operating activities		<u>(1,291,526)</u>	<u>34,727</u>
Cash flows from investing activities			
Acquisitions of tangible assets		-	(1,300)
Proceeds from sale of tangible assets		376,998	-
Proceeds from sale of intangible assets		<u>844,000</u>	<u>-</u>
Net cash flows from investing activities		1,220,998	(1,300)
Cash flows from financing activities			
Interest paid	6	<u>(1,483)</u>	<u>(3,847)</u>
Net (decrease)/increase in cash and cash equivalents		(72,011)	29,580
Cash and cash equivalents at 1 February		<u>124,211</u>	<u>94,631</u>
Cash and cash equivalents at 31 January		<u><u>52,200</u></u>	<u><u>124,211</u></u>

The notes on pages 12 to 26 form an integral part of these financial statements.

Gaelpharm Limited

Notes to the Financial Statements for the Year Ended 31 January 2016

1 General information

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:

5 Old Bailey
London
EC4M 7BA

The principal place of business is:

Lochardil Pharmacy
Morven Road
Inverness
IV2 4BU

These financial statements were authorised for issue by the Board on 27 October 2016.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The Company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the Company's activities.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 taxable income.

Gaelpharm Limited

Notes to the Financial Statements for the Year Ended 31 January 2016

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Land and buildings	2% straight line
Furniture, fittings and equipment	10%, 15% and 25% reducing balance
Other property, plant and equipment	20% and 25% reducing balance

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the Group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	10% straight line

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Gaelpharm Limited

Notes to the Financial Statements for the Year Ended 31 January 2016

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Gaelpharm Limited

Notes to the Financial Statements for the Year Ended 31 January 2016

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2016	2015
	£	£
Sale of pharmaceutical products	1,651,237	1,548,077
Other retail sales	381,495	594,494
Commissions received	76,285	46,164
	<u>2,109,017</u>	<u>2,188,735</u>

4 Other gains and losses

The analysis of the company's other gains and losses for the year is as follows:

	2016
	£
Gain (loss) on disposal of property, plant and equipment	78,613
Gain (loss) on disposal of intangible assets	685,818
	<u>764,431</u>

5 Operating profit

Arrived at after charging/(crediting)

	2016	2015
	£	£
Depreciation expense	29,253	39,914
Amortisation expense	14,380	19,174
Operating lease expense - plant and machinery	3,168	2,693
Profit on disposal of property, plant and equipment	<u>(78,613)</u>	<u>-</u>

6 Interest payable and similar charges

	2016	2015
	£	£
Interest on bank overdrafts and borrowings	<u>1,483</u>	<u>3,847</u>

Gaelpharm Limited

Notes to the Financial Statements for the Year Ended 31 January 2016

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2016 £	2015 £
Wages and salaries	343,265	410,338
Social security costs	14,377	20,231
Other employee expense	(494)	1,016
	<u>357,148</u>	<u>431,585</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2016 No.	2015 No.
Administration and support	<u>15</u>	<u>18</u>

8 Directors' remuneration

The directors' remuneration for the year was as follows:

2016
£

9 Auditors' remuneration

2016
£

Audit of the financial statements

3,250

Gaelpharm Limited

Notes to the Financial Statements for the Year Ended 31 January 2016

10 Taxation

Tax charged/(credited) in the income statement

2016
£

Current taxation

UK corporation tax

133,710

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2015 - lower than the standard rate of corporation tax in the UK) of 20.11% (2015 - 0%).

The differences are reconciled below:

	2016 £	2015 £
Profit/(loss) before tax	<u>816,935</u>	<u>(119,484)</u>
Corporation tax at standard rate	164,286	-
Effect of expense not deductible in determining taxable profit (tax loss)	6,763	-
Effect of tax losses	(17,247)	-
Tax increase (decrease) from effect of capital allowances and depreciation	(151,298)	-
Tax increase (decrease) from effect of indexation allowance on capital gains	<u>131,206</u>	<u>-</u>
Total tax charge	<u>133,710</u>	<u>-</u>

The change in the tax rate during the period is due to the losses which arose last year. This resulted in a tax rate for the prior year of 0%.

Due to the level of the tax pool, it is anticipated that capital allowances will exceed depreciation in future periods.

Gaelpharm Limited

Notes to the Financial Statements for the Year Ended 31 January 2016

11 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 February 2015	441,000	441,000
Disposals	<u>(441,000)</u>	<u>(441,000)</u>
At 31 January 2016	<u>-</u>	<u>-</u>
Amortisation		
At 1 February 2015	268,438	268,438
Amortisation charge	14,380	14,380
Amortisation eliminated on disposals	<u>(282,818)</u>	<u>(282,818)</u>
At 31 January 2016	<u>-</u>	<u>-</u>
Carrying amount		
At 31 January 2016	<u>-</u>	<u>-</u>
At 31 January 2015	<u>172,562</u>	<u>172,562</u>
The aggregate amount of research and development expenditure recognised as an expense during the period is £Nil (2015 - £Nil).		

12 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Other property, plant and equipment £	Total £
Cost or valuation				
At 1 February 2015	314,345	287,105	243,373	844,823
Disposals	<u>(314,345)</u>	<u>(180,482)</u>	<u>(242,565)</u>	<u>(737,392)</u>
At 31 January 2016	<u>-</u>	<u>106,623</u>	<u>808</u>	<u>107,431</u>
Depreciation				
At 1 February 2015	64,442	161,472	241,311	467,225
Charge for the year	5,239	23,507	507	29,253
Eliminated on disposal	<u>(69,681)</u>	<u>(127,937)</u>	<u>(241,389)</u>	<u>(439,007)</u>
At 31 January 2016	<u>-</u>	<u>57,042</u>	<u>429</u>	<u>57,471</u>
Carrying amount				
At 31 January 2016	<u>-</u>	<u>49,581</u>	<u>379</u>	<u>49,960</u>
At 31 January 2015	<u>249,903</u>	<u>125,633</u>	<u>2,062</u>	<u>377,598</u>

Gaelpharm Limited

Notes to the Financial Statements for the Year Ended 31 January 2016

Included within the net book value of land and buildings above is £Nil (2015 - £249,903) in respect of freehold land and buildings.

13 Investments in subsidiaries, joint ventures and associates

	2016 £	2015 £
Investments in associates	<u>510</u>	<u>510</u>
Associates		£
Cost		
At 1 February 2015		<u>510</u>
Provision		
Carrying amount		
At 31 January 2016		<u>510</u>
At 31 January 2015		<u>510</u>

14 Stocks

	2016 £	2015 £
Finished goods and goods for resale	<u>40,895</u>	<u>188,583</u>

15 Debtors

	Note	2016 £	2015 £
Trade debtors		92,359	196,449
Amounts owed by related parties	22	1,161,602	38,793
Other debtors		61,308	32,231
Prepayments		<u>2,984</u>	<u>5,265</u>
Total current trade and other debtors		<u>1,318,253</u>	<u>272,738</u>

Gaelpharm Limited

Notes to the Financial Statements for the Year Ended 31 January 2016

16 Cash and cash equivalents

	2016 £	2015 £
Cash on hand	1,397	7,905
Cash at bank	<u>60,881</u>	<u>116,306</u>
	62,278	124,211
Bank overdrafts	<u>(10,078)</u>	<u>-</u>
Cash and cash equivalents in statement of cash flows	<u>52,200</u>	<u>124,211</u>

17 Creditors

	Note	2016 £	2015 £
Due within one year			
Loans and borrowings	19	10,078	-
Trade creditors		153,804	333,957
Amounts due to related parties	22	-	290,266
Social security and other taxes		914	10,143
Accrued expenses		3,567	15,203
Income tax liability	10	<u>133,710</u>	<u>35</u>
		<u>302,073</u>	<u>649,604</u>

Gaelpharm Limited

Notes to the Financial Statements for the Year Ended 31 January 2016

18 Share capital

Allotted, called up and fully paid shares

	2016		2015	
	No.	£	No.	£
A Ordinary shares of £1 each	39	39	39	39
B Ordinary shares of £1 each	2	2	2	2
	<u>41</u>	<u>41</u>	<u>41</u>	<u>41</u>

Rights, preferences and restrictions

Ordinary have the following rights, preferences and restrictions:

All ordinary shares have equal voting rights, dividend and capital distribution rights.

19 Loans and borrowings

	2016 £
Current loans and borrowings	
Bank overdrafts	<u>10,078</u>

20 Dividends

The directors are proposing a final dividend of £Nil (2015 - £Nil) per share totalling £Nil (2015 - £Nil). This dividend has not been accrued in the Balance Sheet.

21 Commitments

Capital commitments

The total amount contracted for but not provided in the financial statements was £Nil (2015 - £Nil).

22 Related party transactions

Transactions with directors

Gaelpharm Limited

Notes to the Financial Statements for the Year Ended 31 January 2016

	At 1 February 2015 £	Advances to directors £	Repayments by director £	Other payments made to company by director £	Written off £	Waived £	At 31 January 2016 £
2016							
D Winchester							
Director's loan account	<u>221</u>	<u>-</u>	<u>(7)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>214</u>
Mrs S Melrose							
Director's loan	<u>159</u>	<u>58</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>217</u>
	At 1 February 2014 £	Advances to directors £	Repayments by director £	Other payments made to company by director £	Written off £	Waived £	At 31 January 2015 £
2015							
D Winchester							
Director's loan account	<u>152</u>	<u>69</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>221</u>
Mrs S Melrose							
Director's loan	<u>90</u>	<u>69</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>159</u>

Summary of transactions with parent

Buchanhaven Pharmacy Limited, parent company.

During the year, cash transfers were made between the two entities.

Summary of transactions with entities with joint control or significant interest

Community Dispensing Services Limited - fellow subsidiary.

During the year, cash transfers were made between the two entities.

Summary of transactions with other related parties

D & M Winchester Limited - a company under significant control by D Winchester.

There were no transaction during the year.

Gaelpharm Limited

Notes to the Financial Statements for the Year Ended 31 January 2016

Loans to related parties

	Parent £	Entities with joint control or significant influence £	Other related parties £
2016			
At start of period	-	36,051	2,742
Advanced	1,123,740	-	-
Repaid	-	(931)	-
At end of period	<u>1,123,740</u>	<u>35,120</u>	<u>2,742</u>
		Entities with joint control or significant influence £	Other related parties £
2015			
At start of period		17,000	2,742
Advanced		19,051	-
At end of period		<u>36,051</u>	<u>2,742</u>

Loans from related parties

	Parent £
2016	
At start of period	290,266
Repaid	<u>(290,266)</u>
At end of period	<u>-</u>
	Parent £
2015	
At start of period	151,389
Advanced	213,148
Repaid	<u>(74,271)</u>
At end of period	<u>290,266</u>

23 Parent and ultimate parent undertaking

The company's immediate parent is Buchanhaven Pharmacy Limited, incorporated in Scotland.

The most senior parent entity producing publicly available financial statements is Buchanhaven Pharmacy Limited. These financial statements are available upon request from Companies House.

The ultimate controlling party is the directors, D Winchester and S Melrose.

Gaelpharm Limited

Notes to the Financial Statements for the Year Ended 31 January 2016

24 Transition to FRS 102

Balance Sheet at 1 February 2014

Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Fixed assets				
Intangible assets	191,736	-	-	191,736
Tangible assets	416,212	-	-	416,212
Investments	510	-	-	510
	<u>608,458</u>	<u>-</u>	<u>-</u>	<u>608,458</u>
Current assets				
Stocks	161,376	-	-	161,376
Debtors	161,072	-	-	161,072
Cash at bank and in hand	94,632	-	-	94,632
	<u>417,080</u>	<u>-</u>	<u>-</u>	<u>417,080</u>
Creditors: Amounts falling due within one year	<u>(419,457)</u>	<u>-</u>	<u>-</u>	<u>(419,457)</u>
Net current liabilities	<u>(2,377)</u>	<u>-</u>	<u>-</u>	<u>(2,377)</u>
Net assets	<u>606,081</u>	<u>-</u>	<u>-</u>	<u>606,081</u>
Capital and reserves				
Called up share capital	41	-	-	41
Capital redemption reserve	51,037	-	-	51,037
Profit and loss account	555,003	-	-	555,003
Total equity	<u>606,081</u>	<u>-</u>	<u>-</u>	<u>606,081</u>

Gaelpharm Limited

Notes to the Financial Statements for the Year Ended 31 January 2016

Balance Sheet at 31 January 2015

Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Fixed assets				
Intangible assets	172,562	-	-	172,562
Tangible assets	377,598	-	-	377,598
Investments	510	-	-	510
	<u>550,670</u>	<u>-</u>	<u>-</u>	<u>550,670</u>
Current assets				
Stocks	188,583	-	-	188,583
Debtors	272,738	-	-	272,738
Cash at bank and in hand	124,211	-	-	124,211
	<u>585,532</u>	<u>-</u>	<u>-</u>	<u>585,532</u>
Creditors: Amounts falling due within one year	<u>(649,604)</u>	<u>-</u>	<u>-</u>	<u>(649,604)</u>
Net current liabilities	<u>(64,072)</u>	<u>-</u>	<u>-</u>	<u>(64,072)</u>
Net assets	<u>486,598</u>	<u>-</u>	<u>-</u>	<u>486,598</u>
Capital and reserves				
Called up share capital	41	-	-	41
Capital redemption reserve	51,037	-	-	51,037
Profit and loss account	435,520	-	-	435,520
Total equity	<u>486,598</u>	<u>-</u>	<u>-</u>	<u>486,598</u>

Gaelpharm Limited

Notes to the Financial Statements for the Year Ended 31 January 2016

Profit and Loss Account for the year ended 31 January 2015

Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Turnover	2,188,735	-	-	2,188,735
Cost of sales	<u>(1,569,979)</u>	<u>(430,568)</u>	<u>-</u>	<u>(2,000,547)</u>
Gross profit/(loss)	618,756	(430,568)	-	188,188
Administrative expenses	(751,896)	430,568	-	(321,328)
Other operating income	<u>17,503</u>	<u>-</u>	<u>-</u>	<u>17,503</u>
Operating loss	<u>(115,637)</u>	<u>-</u>	<u>-</u>	<u>(115,637)</u>
Interest payable and similar charges	<u>(3,847)</u>	<u>-</u>	<u>-</u>	<u>(3,847)</u>
	<u>(3,847)</u>	<u>-</u>	<u>-</u>	<u>(3,847)</u>
Loss before tax	<u>(119,484)</u>	<u>-</u>	<u>-</u>	<u>(119,484)</u>
Loss for the financial year	<u><u>(119,484)</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>(119,484)</u></u>

Gaelpharm Limited

Detailed Profit and Loss Account for the Year Ended 31 January 2016

	2016 £	2015 £
Turnover (analysed below)	2,109,017	2,188,735
Cost of sales (analysed below)	<u>(1,860,549)</u>	<u>(2,000,547)</u>
Gross profit	<u>248,468</u>	<u>188,188</u>
Gross profit (%)	11.78%	8.6%
Administrative expenses		
Establishment costs (analysed below)	(55,867)	(138,016)
General administrative expenses (analysed below)	(97,496)	(113,161)
Finance charges (analysed below)	(9,533)	(11,063)
Depreciation costs (analysed below)	(43,633)	(59,088)
Other expenses (analysed below)	<u>764,431</u>	<u>-</u>
	557,902	(321,328)
Other operating income (analysed below)	<u>12,048</u>	<u>17,503</u>
Operating profit/(loss)	818,418	(115,637)
Interest payable and similar charges (analysed below)	<u>(1,483)</u>	<u>(3,847)</u>
Profit/(loss) before tax	<u><u>816,935</u></u>	<u><u>(119,484)</u></u>

Gaelpharm Limited

Detailed Profit and Loss Account for the Year Ended 31 January 2016

	2016 £	2015 £
Turnover		
Sales - F.H.S.A	1,651,237	1,548,077
Retail sales	381,495	594,494
Commission receivable	76,285	46,164
	<u>2,109,017</u>	<u>2,188,735</u>
Cost of sales		
Opening stock	188,583	161,376
Purchases	1,355,219	1,597,186
Closing stock	(40,895)	(188,584)
Wages and salaries (excluding directors)	343,265	410,338
Staff NIC (Employers)	14,377	20,231
	<u>1,860,549</u>	<u>2,000,547</u>
Establishment costs		
Rent	(31,917)	(110,580)
Rates	(7,962)	(7,407)
Light, heat and power	(11,929)	(11,323)
Insurance	(4,059)	(8,706)
	<u>(55,867)</u>	<u>(138,016)</u>
General administrative expenses		
Staff training	494	(1,016)
Repairs and maintenance	(1,445)	(34,831)
Telephone and fax	(3,315)	(2,292)
Computer software and maintenance costs	(9,020)	(9,349)
Printing, postage and stationery	(3,671)	(3,133)
Trade subscriptions	(8,151)	(10,185)
Charitable donations	(150)	(99)
Hire of plant and machinery (Operating leases)	(3,168)	(2,693)
Sundry expenses	(3,648)	(7,408)
Cleaning	(4,270)	(3,847)
Motor expenses	(1,971)	(1,575)
Travel and subsistence	(1,018)	(962)
Advertising	(215)	(1,380)
Staff entertaining (allowable for tax)	-	(17)
Customer entertaining (disallowable for tax)	(256)	-
Accountancy fees	(19,652)	(18,287)
Auditor's remuneration - The audit of the company's annual accounts	(3,250)	-
Legal and professional fees	<u>(34,790)</u>	<u>(16,087)</u>
	<u>(97,496)</u>	<u>(113,161)</u>

Gaelpharm Limited

Detailed Profit and Loss Account for the Year Ended 31 January 2016

	2016 £	2015 £
Finance charges		
Bank charges	(5,138)	(6,185)
Credit card charges	<u>(4,395)</u>	<u>(4,878)</u>
	<u>(9,533)</u>	<u>(11,063)</u>
Depreciation costs		
Amortisation of goodwill	(14,380)	(19,174)
Depreciation of freehold property	(5,239)	(6,287)
Depreciation of plant and machinery (owned)	(507)	(1,807)
Depreciation of fixtures and fittings (owned)	(22,639)	(30,643)
Depreciation of office equipment (owned)	<u>(868)</u>	<u>(1,177)</u>
	<u>(43,633)</u>	<u>(59,088)</u>
Other expenses		
(Profit)/loss on disposal of intangible fixed assets	685,818	-
(Profit)/loss on disposal of tangible fixed assets	<u>78,613</u>	<u>-</u>
	764,431	-
Other operating income		
Rent receivable	<u>12,048</u>	<u>17,503</u>
Operating profit/(loss)	818,418	(115,637)
Interest payable and similar charges		
Bank interest payable	<u>1,483</u>	<u>3,847</u>
Profit/(loss) before tax	<u><u>816,935</u></u>	<u><u>(119,484)</u></u>