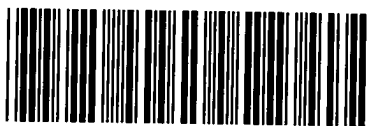


**MAWDSLEY-BROOKS & COMPANY LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2014**

**Company Registration Number 00044701**

**SATURDAY**



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**MAWDSLEY-BROOKS & COMPANY LIMITED**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2014**

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**MAWDSLEY-BROOKS & COMPANY LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**  
**YEAR ENDED 31 MARCH 2014**

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<b>The board of directors</b>	Mrs C P Currimjee Mrs G Sanderson-Watts Dr J Mawdsley (Chairman) Mrs S P Westall Mr G Kennedy Mr I C Brownlee Mrs S J Ellison Mr D Belcher Mr P Mc Allister Mrs K Birchall
<b>Company secretary</b>	Mrs S J Ellison
<b>Business address</b>	3 South Langworthy Road PO Box 18 Salford M50 2PW
<b>Registered office</b>	3 South Langworthy Road PO Box 18 Salford M50 2PW
<b>Auditor</b>	Baker Tilly UK Audit LLP Chartered Accountants Bluebell House Brian Johnson Way Preston PR2 5PE

# MAWDSLEY-BROOKS & COMPANY LIMITED

## STRATEGIC REPORT

YEAR ENDED 31 MARCH 2014

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### Principal activity and business review

The principal activity of the company continued to be pharmaceutical wholesaling.

### Financial position at the year end

The company has net cash of £3.4 million compared to net borrowings of £7.8 million at the end of the previous year as indebtedness has been repaid by companies that are now no longer part of the Mawdsleys group. Consequently the company is in a very strong financial position.

### Key performance indicators

Turnover for the year increased by 5.4% and pre-tax profits by 109%, which the Directors consider adequate given the competitive market place in which the company operates. As stated above significant cash has been generated to further strengthen the company's financial position. Generic and Parallel Import sales and profits both grew strongly, although generic margins are lower because of strong competition and changes to the reimbursement of generics by the Department of Health.

### Future developments

Investment in staff during the year has strengthened the company's capabilities to develop both U.K. and overseas markets for named patient products. During the year a subsidiary was established in Brazil and trade with Brazil has commenced since the year end. The U.K. pharmacy and hospital sales teams have also been strengthened to support revised sales strategies in both markets.

### Principal risks and uncertainties

The company operates in several distinct markets: named patient medicines, pre-wholesale and supply to retail pharmacies and hospitals. These markets have different threats. The most significant are changes to the reimbursement systems by the Department of Health, the growth of global players in both wholesale and generic supply and competition in the U.K. wholesale sector. The Directors consider that the spread of the company's activities shelters the company from any particular threat. The strong financial position enables the company to continue to meet its financial obligations as they fall due, to modify its activities as required and to invest as opportunities arise.

Signed on behalf of the directors



Mrs S J Ellison  
Company Secretary

Approved by the directors on 23/12/2014

# **MAWDSLEY-BROOKS & COMPANY LIMITED**

## **DIRECTORS' REPORT**

**YEAR ENDED 31 MARCH 2014**

---

The directors present their report and the financial statements of the company for the year ended 31 March 2014.

### **Results and dividends**

The profit for the year, after taxation, amounted to £1,490,000. The directors have not recommended a dividend.

### **Financial risk management objectives and policies**

The company is exposed to a moderate level of price risk, credit risk, liquidity risk and cash flow risk. The company manages these risks by financing its operations through retained profits, supplemented by long-term bank borrowings where necessary to fund expansion or capital expenditure programmes.

The management objectives are to retain sufficient liquid funds to enable it to meet its day to day requirements, minimise the company's exposure to fluctuating interest rates, and match the repayment schedule of any external borrowings or overdrafts with the future cash flows expected to arise from the company's trading activities.

### **Directors**

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

Mrs C P Currimjee  
Mrs G Sanderson-Watts  
Dr J Mawdsley (Chairman)  
Mrs S P Westall  
Mr G Kennedy  
Mr I C Brownlee  
Mr J Davies  
Mrs S J Ellison  
Mr D Belcher  
Mr P Mc Allister  
Mrs K Birchall

Mr J Davies resigned as a director on 31 March 2014.

### **Directors' responsibilities**

The directors are responsible for preparing the Strategic Report, 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). 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 year.

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

# **MAWDSLEY-BROOKS & COMPANY LIMITED**

## **DIRECTORS' REPORT** *(continued)*

### **YEAR ENDED 31 MARCH 2014**

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- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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.

In so far as the directors are, individually, aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- each director has 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **Disabled employees**

The group recognises its responsibilities towards disabled persons and gives full and fair consideration to applicants in positions suited to their own particular abilities where appropriate openings exist. Where employees become disabled in the course of their employment, every effort is made to provide them with continued employment.

During the year management has had a policy of providing employees with information about the group. Regular meetings are held between management and employees to allow a free flow of information and ideas.

The group aims to achieve a shared commitment from employees to the success of the business of which they are employees.

#### **Employee involvement**

During the year, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas. Employees participate directly in the success of the business through the company's profit sharing schemes and are encouraged to invest in the company through participation in share option schemes.

# MAWDSLEY-BROOKS & COMPANY LIMITED

## DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2014

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### Strategic report

The information required by schedule 7 of the Large and Medium-sized Companies and Groups(Accounts and Reports) Regulations 2008 has been included in the separate Strategic Report in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

### Auditor

Baker Tilly Audit Limited ceased trading on 31st March 2014. The directors, having been notified of the cessation of trade of Baker Tilly Audit Limited, appointed Baker Tilly UK Audit LLP as Auditor on 1 April 2014 to fill the casual vacancy. In accordance with the Companies Act 2006 a resolution proposing the appointment of Baker Tilly UK Audit LLP as Auditor will be put to the members.

Signed on behalf of the directors



Mrs S J Ellison  
Company Secretary

Approved by the directors on 23/12/2014

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAWDSLEY-BROOKS & COMPANY LIMITED**

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We have audited the financial statements of Mawdsley-Brooks & Company Limited for the year ended 31 March 2014 on pages 8 to 21. 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' Responsibilities Statement set out on pages 3 to 4, 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 March 2014 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 matters 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
MAWDSLEY-BROOKS & COMPANY LIMITED (CONTINUED)**

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**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.

Karen Musgrave, Senior Statutory Auditor  
For and on behalf of

*Baker Tilly UK Audit LLP*

Baker Tilly UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Bluebell House  
Brian Johnson Way  
Preston  
Lancashire  
PR2 5PE

Date: 23/12/14.

**MAWDSLEY-BROOKS & COMPANY LIMITED**

**PROFIT AND LOSS ACCOUNT**

**YEAR ENDED 31 MARCH 2014**

	Note	2014 £000	2013 £000
<b>Turnover</b>	2	185,899	176,432
Cost of sales		(166,221)	(156,211)
<b>Gross profit</b>		<u>19,678</u>	<u>20,221</u>
Distribution costs		(17,520)	(17,095)
Administrative expenses		(5,332)	(6,730)
Other operating income	3	4,977	4,596
<b>Operating profit</b>	4	<u>1,803</u>	<u>992</u>
Interest payable and similar charges	7	(103)	(178)
<b>Profit on ordinary activities before taxation</b>		<u>1,700</u>	<u>814</u>
Tax on profit on ordinary activities	8	(210)	(196)
<b>Profit for the financial year</b>		<u><u>1,490</u></u>	<u><u>618</u></u>

All of the activities of the company are classed as continuing.

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

The notes on pages 10 to 21 form part of these financial statements.

**MAWDSLEY-BROOKS & COMPANY LIMITED**

Registered Number 00044701

**BALANCE SHEET****31 MARCH 2014**

	Note	£000	2014 £000	£000	2013 £000
<b>Fixed assets</b>					
Intangible assets	10		8		7
Tangible assets	11		9,644		10,196
Investments	12		76		–
			<u>9,728</u>		<u>10,203</u>
<b>Current assets</b>					
Stocks	13	11,721		11,553	
Debtors	14	23,536		32,331	
Cash at bank		3,565		2	
			<u>38,822</u>	<u>43,886</u>	
<b>Creditors: Amounts falling due within one year</b>	15	<u>(31,301)</u>		<u>(37,417)</u>	
<b>Net current assets</b>			7,521		6,469
<b>Total assets less current liabilities</b>			<u>17,249</u>		<u>16,672</u>
<b>Creditors: Amounts falling due after more than one year</b>	16		(45)		(912)
<b>Provisions for liabilities</b>					
Deferred taxation	19		<u>(162)</u>		<u>(208)</u>
			<u>17,042</u>		<u>15,552</u>
<b>Capital and reserves</b>					
Called-up share capital	23		3,139		3,139
Share premium account	24		42		42
Other reserves	25		4		4
Profit and loss account	26		13,857		12,367
<b>Shareholders' funds</b>	27		<u>17,042</u>		<u>15,552</u>

These accounts were approved by the directors and authorised for issue on 23/12/2014 and are signed on their behalf by:



Mr I Brownlee  
Director

The notes on pages 10 to 21 form part of these financial statements.

# **MAWDSLEY-BROOKS & COMPANY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2014**

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### **1. Accounting policies**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

#### **Consolidation**

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts.

#### **Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

#### **Turnover**

Turnover is the total amount receivable for good supplied and services provided excluding VAT, trade discounts and agency sales.

#### **Amortisation**

Amortisation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the estimated useful economic life of that asset as follows:

Computer development costs                      -    12.5%

#### **Tangible fixed assets**

Fixed asset investments are stated at cost, less amounts written off.

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Building improvements	-	4% straight line
Long leasehold buildings	-	2% straight line
Plant & Machinery	-	15% reducing balance
Fixtures & Fittings	-	15% reducing balance
Motor Vehicles	-	25% reducing balance
Computer Equipment	-	20% straight line

#### **Stocks**

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items. Cost includes all direct expenditure in respect of the purchase of stock items.

# **MAWDSLEY-BROOKS & COMPANY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2014**

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### **1. Accounting policies *(continued)***

#### **Leased assets**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

#### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### **Contributions to pension funds**

##### **Defined benefit scheme**

The pension costs charged against profits are based on actuarial methods and assumptions designed to spread the anticipated pension costs over the service lives of the employees in the scheme, so as to ensure that the regular pension costs represents a substantially level percentage of the current and expected future pensionable payroll. Variations from regular cost are spread over the average service lives of current employees in the scheme.

##### **Group personal pension plan**

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

##### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax, or a right to pay less tax, or a right to receive repayments of tax.

Deferred tax assets are recognised only to the extent that the directors consider it more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

# MAWDSLEY-BROOKS & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

### 1. Accounting policies (*continued*)

#### Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

The profit and loss accounts and balance sheets of overseas subsidiary undertakings are translated into sterling at the rates of exchange ruling at the balance sheet date. Exchange adjustments arising from the translation of opening balance sheets are taken to reserves.

#### Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

### 2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2014 £000	2013 £000
United Kingdom	177,635	176,432
Overseas	8,264	-
	<u>185,899</u>	<u>176,432</u>

### 3. Other operating income

	2014 £000	2013 £000
Other operating income	<u>4,977</u>	<u>4,596</u>

### 4. Operating profit

Operating profit is stated after charging:

	2014 £000	2013 £000
Depreciation of owned fixed assets	854	850
Loss on disposal of fixed assets	-	4
Auditors remuneration	38	57
Accountancy fees	22	-
Operating lease charges - land & buildings	961	961
Operating lease charges - plant & machinery	<u>876</u>	<u>876</u>

**MAWDSLEY-BROOKS & COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 MARCH 2014****5. Particulars of employees**

The average number of staff employed by the company during the financial year amounted to:

	<b>2014</b>	<b>2013</b>
	<b>No</b>	<b>No</b>
Sales and distribution	517	517
Office and management	40	40
	<u>557</u>	<u>557</u>

The aggregate payroll costs of the above were:

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	10,784	11,758
Social security costs	977	917
Other pension costs	494	698
	<u>12,255</u>	<u>13,373</u>

**6. Directors' remuneration**

The directors' aggregate remuneration in respect of qualifying services were:

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Remuneration receivable	1,623	2,645
Value of company pension contributions to money purchase schemes	96	365
	<u>1,719</u>	<u>3,010</u>

**Remuneration of highest paid director:**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Total remuneration (excluding pension contributions)	493	677
Value of company pension contributions to money purchase schemes	14	140
	<u>507</u>	<u>817</u>

The number of directors accruing retirement benefits was as follows

	<b>2014</b>	<b>2013</b>
	<b>No</b>	<b>No</b>
Money purchase schemes	6	6
Defined benefit schemes	2	2

**MAWDSLEY-BROOKS & COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2014**

**7. Interest payable and similar charges**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Interest payable on bank borrowing	103	<u>178</u>

**8. Taxation on ordinary activities**

**(a) Analysis of charge in the year**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
In respect of the year:		
UK Corporation tax	256	71
Over/under provision in prior year	<u>-</u>	<u>237</u>
	256	308

Deferred tax:

Origination and reversal of timing differences	(46)	(112)
Tax on profit on ordinary activities	<u>210</u>	<u>196</u>

**(b) Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 23% (2013 - 24%).

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Profit on ordinary activities before taxation	<u>1,700</u>	<u>814</u>
Profit on ordinary activities by rate of tax	391	195
Effects of:		
Expenses not deductible for tax purposes	81	5
Capital allowances for period in excess of depreciation	14	20
Adjustments to tax charge in respect of previous periods	-	237
Group relief	(230)	28
Sundry tax adjusting items	<u>-</u>	<u>(177)</u>
Total current tax (note 8(a))	<u>256</u>	<u>308</u>

**(c) Factors that may affect future tax charges**

Reductions in the UK Corporation Tax rate from 23% to 21% for the tax year 2014/15 and to 20% for the tax year 2015/16 were substantively enacted on 2 July 2013. This will reduce the company's future tax charge accordingly.

**MAWDSLEY-BROOKS & COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2014**

**9. Dividends**

**Equity dividends**

	<b>2014 £000</b>	<b>2013 £000</b>
Paid during the year:		
On ordinary shares	<u>—</u>	<u>350</u>

**10. Intangible fixed assets**

	<b>Computer development costs £000</b>	<b>Patents and trade marks £000</b>	<b>Total £000</b>
<b>Cost</b>			
At 1 April 2013	30	1	31
Additions	<u>—</u>	<u>1</u>	<u>1</u>
At 31 March 2014	<u>30</u>	<u>2</u>	<u>32</u>
<b>Amortisation</b>			
At 1 April 2013 and 31 March 2014	<u>24</u>	<u>—</u>	<u>24</u>
<b>Net book value</b>			
At 31 March 2014	<u>6</u>	<u>2</u>	<u>8</u>
At 31 March 2013	<u>6</u>	<u>1</u>	<u>7</u>

**MAWDSLEY-BROOKS & COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2014**

**11. Tangible fixed assets**

	<b>Building improve- ments £000</b>	<b>Long leasehold land and buildings £000</b>	<b>Plant &amp; Machinery £000</b>	<b>Fixtures &amp; Fittings £000</b>	<b>Other Assets £000</b>	<b>Total £000</b>
<b>Cost</b>						
At 1 Apr 2013	3,572	3,339	2,802	4,630	4,025	18,368
Additions	7	—	42	1	384	434
Disposals	—	—	—	—	(312)	(312)
At 31 Mar 2014	<u>3,579</u>	<u>3,339</u>	<u>2,844</u>	<u>4,631</u>	<u>4,097</u>	<u>18,490</u>
<b>Depreciation</b>						
At 1 Apr 2013	194	813	1,590	2,606	2,969	8,172
Charge for the year	68	125	183	147	331	854
On disposals	—	—	—	—	(180)	(180)
At 31 Mar 2014	<u>262</u>	<u>938</u>	<u>1,773</u>	<u>2,753</u>	<u>3,120</u>	<u>8,846</u>
<b>Net book value</b>						
At 31 Mar 2014	<u>3,317</u>	<u>2,401</u>	<u>1,071</u>	<u>1,878</u>	<u>977</u>	<u>9,644</u>
At 31 Mar 2013	<u>3,378</u>	<u>2,526</u>	<u>1,212</u>	<u>2,024</u>	<u>1,056</u>	<u>10,196</u>

The net book value of tangible fixed assets includes an amount of £Nil (2013: £508,000) which are on hire with customers.

**Hire purchase agreements**

Included within the net book value of £9,644,000 is £280,000 (2013 - £367,000) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £87,000 (2013 - £87,000).

**12. Investments**

	<b>Total £000</b>
<b>Cost</b>	
Additions	76
At 31 March 2014	<u>76</u>
<b>Net book value</b>	
At 31 March 2014	<u>76</u>
At 31 March 2013	<u>-</u>

**MAWDSLEY-BROOKS & COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2014**

**13. Stocks**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Raw materials	97	105
Finished goods	11,624	11,448
	<u>11,721</u>	<u>11,553</u>

**14. Debtors**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	22,494	20,816
Amounts owed by group undertakings	–	9,886
Corporation tax repayable	112	780
Other debtors	107	127
Prepayments and accrued income	823	722
	<u>23,536</u>	<u>32,331</u>

**15. Creditors: Amounts falling due within one year**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Bank loans and overdrafts	–	7,693
Trade creditors	24,201	22,024
Amounts owed to group undertakings	3,304	–
PAYE and social security	328	326
VAT	1,464	2,174
Hire purchase agreements	84	180
Other creditors	787	440
Accruals and deferred income	1,133	4,580
	<u>31,301</u>	<u>37,417</u>

The loans and overdrafts are secured by a debenture over certain assets of the company.

Obligations under financing arrangements are secured over the assets concerned.

**16. Creditors: Amounts falling due after more than one year**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Bank loans	–	853
Hire purchase agreements	45	59
	<u>45</u>	<u>912</u>

Obligations under financing arrangements are secured over the assets concerned.

# MAWDSLEY-BROOKS & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

### 17. Creditors - capital instruments loans

Creditors include finance capital which is due for repayment as follows: Loans repayable included within creditors are analysed as follows:

	2014 £000	2013 £000
Amounts repayable:		
In one year or less or on demand	—	7,693
In more than one year but not more than two years	—	566
In more than two years but not more than five years	—	287
	—	<u>8,546</u>

### 18. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows:

	2014 £000	2013 £000
Amounts payable within 1 year	84	180
Amounts payable between 1 and 2 years	45	59
	<u>129</u>	<u>239</u>
Hire purchase agreements are analysed as follows:		
Current obligations	84	180
Non-current obligations	45	59
	<u>129</u>	<u>239</u>

### 19. Deferred taxation

The movement in the deferred taxation provision during the year was:

	2014 £000	2013 £000
At 1 April 2013	208	320
Profit and loss account movement arising during the year	(46)	(112)
At 31 March 2014	<u>162</u>	<u>208</u>

# MAWDSLEY-BROOKS & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

### 19. Deferred taxation (continued)

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2014 £000	2013 £000
Excess of taxation allowances over depreciation on fixed assets	162	208
	<u>162</u>	<u>208</u>

### 20. Derivatives

The company has no financial instruments that fall to be classed as derivatives.

### 21. Commitments under operating leases

At 31 March 2014 the company had annual commitments under non-cancellable operating leases as set out below.

	2014 Land and buildings £000	Other Items £000	2013 Land and buildings £000	Other Items £000
Operating leases which expire:				
Within 1 year	-	-	14	153
Within 2 to 5 years	-	-	-	2
After more than 5 years	600	-	600	-
	<u>600</u>	<u>-</u>	<u>614</u>	<u>155</u>

### 22. Related party transactions

During the year Mawdsley-Brooks & Company Limited was the parent undertaking of Ultrapos Limited, Pathfinder Healthcare Limited, Wellspring Pharmaceutical Services Limited, Wellspring Pharmaceutical Services UK Limited, and MBI Pharma. Under the disclosures requirements of Financial Reporting Standard 8 - Related Party Disclosures, the company is exempt from the requirement to disclose transactions with other members of the group.

### 23. Share capital

Authorised share capital:

	2014 £000	2013 £000
1,443,000 Ordinary shares of £1 each	1,443	1,443
2,430,000 Ordinary "A" Shares of £1 each	2,430	2,430
265,000 Ordinary "B" Shares of £1 each	265	265
500,000 Ordinary "C" Shares of £0.01 each	5	5
	<u>4,143</u>	<u>4,143</u>

**MAWDSLEY-BROOKS & COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2014**

**23. Share capital (continued)**

**Allotted, called up and fully paid:**

	<b>2014</b>		<b>2013</b>	
	<b>No</b>	<b>£000</b>	<b>No</b>	<b>£000</b>
Ordinary shares of £1 each	554,880	555	554,880	555
Ordinary "A" Shares of £1 each	2,317,440	2,317	2,317,440	2,317
Ordinary "B" Shares of £1 each	264,800	265	264,800	265
Ordinary "C" Shares of £0.01 each	145,000	1	145,000	1
	<u>3,282,120</u>	<u>3,139</u>	<u>3,282,120</u>	<u>3,139</u>

**24. Share premium account**

There was no movement on the share premium account during the financial year.

**25. Other reserves**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Capital redemption reserve	<u>4</u>	<u>4</u>

**26. Profit and loss account**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Balance brought forward	12,367	12,099
Profit for the financial year	1,490	618
Equity dividends	—	(350)
Balance carried forward	<u>13,857</u>	<u>12,367</u>

**27. Reconciliation of movements in shareholders' funds**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Profit for the financial year	1,490	618
Equity dividends	—	(350)
Net addition to shareholders' funds	1,490	268
Opening shareholders' funds	<u>15,552</u>	<u>15,284</u>
Closing shareholders' funds	<u>17,042</u>	<u>15,552</u>

**MAWDSLEY-BROOKS & COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2014**

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**28. Pensions**

The group operates a defined benefit scheme for the benefit of certain employees. The scheme provides a lump sum on retirement based on a proportion of all pensionable earnings whilst employed by the company or a pension also based on a proportion of all pensionable earnings. The assets of the scheme are administered by trustees in a fund independent from those of the group.

Pension costs are assessed in accordance with the advice of a qualified actuary. The most recent valuation was as at 31 March 2011.

The market value of scheme assets as at 31 March 2011 was £923,516. The actuarial value of those assets was sufficient to cover 70% of the benefits that had accrued to members, after allowing for expected future increases in earnings. The group's actuaries have confirmed that the company and its subsidiary undertakings need to make contributions of 24.0% of the pensionable salaries of the active pension benefit members.

The directors do not consider the impact of FRS 17 to be material to the group accounts and have not therefore made the FRS 17 disclosures.

**Group personal pension plan**

The group also makes payments into a group personal pension scheme for all eligible employees and into personal pension schemes for directors.

**29. Ultimate parent company**

The ultimate parent undertaking is Mawdsleys Group Investments Limited, a company registered in England and Wales. Copies of the group accounts of Mawdsley Group Investments Limited will be delivered to and will be available from The Registrar of Companies, Companies Registration House, Maindy, Cardiff, CF4 3UZ.

**30. Control**

The company is controlled by the directors of Mawdsleys Group Investments Limited.