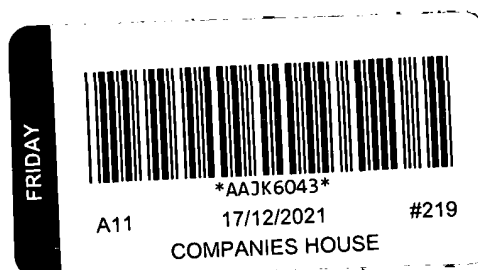


Company Registration No. 00044701 (England and Wales)

**MAWDSLEY-BROOKS & COMPANY LIMITED**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH 2021**



# **MAWDSLEY-BROOKS & COMPANY LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	C P Currimjee G Sanderson-Watts Dr J Mawdsley S P Westall D Belcher W J Sanders W J Westall
<b>Secretary</b>	B Mistry
<b>Company number</b>	00044701
<b>Registered office</b>	Number 3 South Langworthy Road PO Box 18 Salford M50 2PW
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants Bluebell House Brian Johnson Way Preston Lancashire PR2 5PE
<b>Business address</b>	Number 3 South Langworthy Road PO Box 18 Salford M50 2PW

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# MAWDSLEY-BROOKS & COMPANY LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MARCH 2021

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The directors present the strategic report for the year ended 31 March 2021.

#### **Fair Review of the Business and Key Performance Indicators**

Pharmaceutical wholesaling and logistics remained the core activities of Mawdsley-Brooks & Company Limited ("Mawdsleys"), predominantly in the UK, but also selected international markets.

Mawdsleys had a year of strong trading driven by the business responding to further exceptional demand across multiple markets caused by the Covid-19 pandemic. International teams secured a number of significant contracts to support the battle against the virus, as its impact spread across the globe. As a result, turnover of £453m and pre-tax profits of £9.1m were both up by 26% and 150% on the prior year respectively. Gross margin at 10.2% saw an increase from the prior year at 8.8%, due to sales mix.

For most of the reporting period, office based and support staff had to adapt to a variety of restrictions and lock downs, which seemed to change on a regular basis, as the government attempted to thwart the rise of Covid-19 cases. The core pharmaceutical third-party logistics (3PL), wholesaling, and transport divisions, however continued to respond to unprecedented demands from both hospitals and the Department of Health and Social Care. Deliveries and service levels were maintained, including operating across public holidays, and feedback from hospitals was highly complementary and acknowledging of the extra efforts that Mawdsleys had made to keep supplies of critical medicines flowing into hospitals.

Once again, staff and management teams have shown remarkable flexibility, innovation and resolve to ensure continuous provision of service to the NHS and hospitals. The directors and shareholders acknowledge the dedication of our staff, and express their gratitude to everyone at Mawdsleys for their continued efforts and commitment to the business.

#### **Position at the year end and future developments**

Mawdsleys closed the year with £22.4m cash compared to £21.1m at the end of last year. This robust position will enable the business to further improve its IT infrastructure, explore further investment opportunities, and expand into new aligned market sectors.

The directors are confident Mawdsleys will continue to grow in the forthcoming year as it strengthens its position in each of its core divisions.

#### **Principal risks and uncertainties**

##### Market conditions:

There has been a significant change in ownership within the UK pharmaceutical wholesale sector over the past year, with two US global businesses choosing to divest their UK or European entities. This will inevitably lead to some realignment in the market, but Mawdsleys is expected to benefit with its legacy of stability and enviable levels of customer service, regarded as key strengths by the NHS.

Pressure on health care budgets in all markets remains, inevitably leading to tighter margins as service providers such as the NHS in the UK, seek to reduce prices across the supply chain. In turn, manufacturers are under constant pressure to maintain returns, leading to potential margin erosion on both the demand and supply sides.

The pre-wholesale and logistics divisions remain on a growth curve and face differing challenges. Access to additional suitable warehousing space, exacerbated by the Covid-19 driven boom in the online sector, and limited availability of specialist labour, such as HGV drivers, make the benefits and efficiencies driven by the implementation of updated IT systems and processes become ever more critical.

##### Brexit:

After over 40 years of the UK being a member of the EU, disengaging from the bloc was always going to be a lengthy and uncertain phase. No longer being subject to the Falsified Medicines Directive has arguably been a benefit, but negotiations around the Northern Ireland protocol are effectively still ongoing, with changing interpretations of the EU-UK Trade and Cooperation Agreement continuing to cause some confusion.

# MAWDSLEY-BROOKS & COMPANY LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

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#### Development and performance

Import of some supplies from the European Union are still hindered by the additional paperwork and controls now in place, while trading with some customers in the EU has become more difficult. The vast majority of sales, however are either within the UK, directly or indirectly to the NHS, or in markets outside of the European Union, so the overall impact is not considered to be overly significant.

#### Covid-19:

The ongoing Covid-19 situation continues to disrupt the normal provision of healthcare. Non-urgent procedures and outpatient clinics are only just returning to previous capacity, hindered by the additional Covid-19 preventative measures in place and the continual threat of further waves of the virus.

The directors continue to monitor the effects of the global pandemic on all sectors of the business. There does now seem to be a general consensus that Covid-19 will not go away, but governments, businesses and individuals are learning to live with the virus in the general population and that cases will spike on an irregular basis for the foreseeable future.

Mawdsleys has now travelled through 18 months of the pandemic. Whilst operational and logistical challenges, including availability of staff, remote working and uncertainty from some customers will always remain, at the time of approving the financial statements, the directors are confident the business has adequate resources and the financial strength to work through the ongoing crisis. This is underpinned by the fact that Mawdsleys customer base is in healthcare and despite market volatility, overall demand has increased, whilst the company's balance sheet is strong, supported by a healthy cash reserve.

It is difficult to estimate the full impact of Covid-19, but the directors are satisfied that Mawdsleys has adequate reserves and mitigation strategies in place and the financial statements are therefore prepared on a going concern basis.

#### Regulation

The company operates in regulated markets and is subject to regular inspections by the relevant bodies. Failure to comply with these regulations could adversely impact the company. Mawdsleys applies appropriate standards which are closely monitored and regularly audited to minimise any potential negative impact on the business.

#### **S172 Statement**

Section 172 (1) (a) to (f) of the Companies Act 2006 requires the directors of Mawdsley-Brooks & Company Limited ("Mawdsleys") to act in a way which they consider promotes the long-term benefit of its members as a whole. In doing so, the directors take due consideration, amongst other matters, to the:

##### **a. Likely consequences of any decisions in the long term**

The directors ensure that the choices made, match Mawdsleys' core objective of delivering sustainable, innovative solutions to healthcare customers. The company's vision is to "*Deliver excellent healthcare services through the passion and innovation of our people*" and every key decision for the business is reviewed against this strategic vision and corporate values.

##### **b. Interests of the company's employees**

The health and wellbeing of all staff remains a fundamental pillar of the company and the pandemic required an immediate review and update to relevant sections of our health and safety risk assessments and policy.

## MAWDSELEY-BROOKS & COMPANY LIMITED

### STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

S172 Statement

The directors continue to publish a quarterly newsletter, featuring company updates and news from around the divisions and interviews with key members of staff and management. Staff briefings and question and answer sessions with the CEO have been more limited due to control measures imposed due to the virus, but have happened, where possible, and are planned to fully restart as Covid-19 restrictions ease. Similarly, focus groups have been restricted to online sessions, which although offer a communication channel are less effective than when face to face. Nevertheless, this does allow an ongoing free flow of information and ideas, enabling a number of local issues to be raised and resolved, leading to an improved local working environment and engagement with staff.

#### c. Need to foster the company's business relationships with suppliers, customers, and others

Outstanding customer service is fundamental to Mawdsleys. During the pandemic, the long-standing relationships between the customer service teams with their NHS and commercial customers enabled swift communication and response to the fast-moving situation. Similarly on the supply side, the company's procurement teams were able to call upon their supplier networks to source products and respond to exceptional demand.

As a pharmaceutical wholesaler, the company regards regulatory compliance with the utmost importance, and we seek to foster open and productive relationships with all relevant regulatory bodies.

#### d. Impact of the company's operations on the community and the environment

Mawdsleys recognises the importance of the environmental challenges the planet is now facing and that it is important to progress towards net carbon zero as soon as practically possible. The NHS as part of the UK government's wider environmental agenda will have to include a minimum of 10% weighting on future tender awards relating to carbon footprint. Medicines and chemicals are estimated to represent 20% of the NHS carbon footprint and Mawdsleys is working towards developing a plan on how to achieve the base requirements of Scope 1 and 2 of the NHS Carbon Footprint strategy, and how quickly Scope 3 of Carbon Footprint Plus can be delivered.

All energy is now sourced from renewable energy providers, though recognising there is further work to be done around insulation at some of the company's property portfolio. As part of general building maintenance, upgrades to glazing units are planned and reasonable steps taken to reduce energy usage at sites, for example a number of depots have now had LED lighting installed, leading to both an improvement in working conditions and a significant reduction in energy costs.

Over the next twelve months, Mawdsleys will be developing a strategic plan incorporating all of these and further measures into a cohesive Net Carbon Zero plan, part of which in the short term may include an element of carbon offsetting.

#### e. Desirability of the company maintaining a reputation for high standards of business conduct

Training is provided to directors and senior managers on matters of corporate governance and includes areas as Responsibilities of directors, Diversity and Inclusion, GDPR, Bribery Act and Health and Safety requirements.

# MAWDSLEY-BROOKS & COMPANY LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

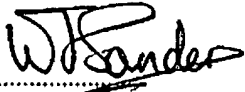
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S172 (continued)

**f. Need to act fairly as between all members of the company**

Over the past year, there has been regular dialogue with all shareholders, communicating an overview of future initiatives and whatever their size interest in Mawdsleys, providing a platform for views to be considered.

On behalf of the board



W J Sanders  
Director

Date: 13/12/2021

# **MAWDSLEY-BROOKS & COMPANY LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2021**

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The directors present their annual report and financial statements for the year ended 31 March 2021.

#### **Principal activities**

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

#### **Results and dividends**

The results for the year are set out on page 11.

Ordinary dividends were paid amounting to £nil (2020: £Nil). The directors do not recommend payment of a further dividend.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

C P Currimjee  
G Sanderson-Watts  
Dr J Mawdsley  
S P Westall  
D Belcher  
W J Sanders  
W J Westall

#### **Disabled persons**

The company 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.

#### **Employee involvement**

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is described in more detail in the Section 172 (1) statement. Covid-19 is a recurring theme through this statement and clearly travel between sites and face to face staff meetings were kept to a minimum to help slow the spread of the virus. Nonetheless, in an attempt to continue the staff engagement strategy, a series of video updates were provided, and once government restrictions allowed, inter-site visits resumed in a controlled manner. The company aims to achieve a shared commitment from employees to the success of the business of which they are employees.

#### **Auditor**

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

#### **Energy and carbon reporting**

The company's ultimate parent undertaking is Mawdsleys Group Investments Ltd and the company's greenhouse gas emissions, energy consumption and energy efficiency activities are reported in the group accounts of Mawdsleys Group Investments Ltd.

# MAWDSLEY-BROOKS & COMPANY LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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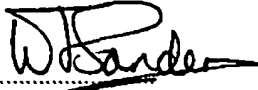
### Matters of Strategic Importance

Information is not shown within the Directors' Report as it is instead included within the Strategic Report on page 1 under S414c(11). This is in respect of future developments and outlook and the statement of how directors have paid regard to the need to foster the company's business relationships with suppliers, customers and others, and the effect of that, including on the principal decisions taken by the company during the financial year, financial risk management objectives and employee disclosures.

### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



W J Sanders  
Director

Date: 13/12/2021



# **MAWDSLEY-BROOKS & COMPANY LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### **FOR THE YEAR ENDED 31 MARCH 2021**

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The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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;
- 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.

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

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### **Opinion**

We have audited the financial statements of Mawdsley-Brooks & Company Limited (the 'company') for the year ended 31 March 2021 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

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

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

## **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**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the company operates in and how the company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

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

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As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102 and the Companies Act 2006. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The most significant laws and regulations that have an indirect impact on the financial statements are those in respect of the authorisation to import, process and distribute medicines. We performed audit procedures to inquire of management whether the company is in compliance with these law and regulations, reviewed meeting minutes, reviewed correspondence with licensing and regulatory authorities including the outcome of regulatory inspections and reviewed evidence of certifications held.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

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

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Michael Oates*

Michael Oates CA (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Bluebell House  
Brian Johnson Way  
Preston  
Lancashire, PR2 5PE

14/12/21  
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# MAWDSLEY-BROOKS & COMPANY LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

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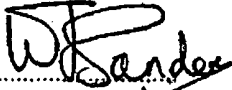
	Notes	2021 £'000	2020 £'000
Turnover	3	453,296	359,230
Cost of sales		(406,946)	(327,513)
<b>Gross profit</b>		<b>46,350</b>	<b>31,717</b>
Distribution costs		(24,783)	(19,244)
Administrative expenses		(13,211)	(9,595)
Other operating income		748	767
<b>Profit before taxation</b>		<b>9,104</b>	<b>3,645</b>
Tax on profit	8	(1,685)	(947)
<b>Profit for the financial year</b>		<b>7,419</b>	<b>2,698</b>

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**MAWDSLEY-BROOKS & COMPANY LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2021**

	Notes	2021 £'000	2020 £'000
<b>Fixed assets</b>			
Intangible assets	9	-	1
Tangible assets	10	11,241	11,706
Investments	11	76	76
		<u>11,317</u>	<u>11,783</u>
<b>Current assets</b>			
Stocks	13	14,669	17,386
Debtors	14	74,638	74,828
Cash at bank and in hand		22,406	21,125
		<u>111,713</u>	<u>113,339</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>(85,756)</u>	<u>(95,386)</u>
<b>Net current assets</b>		<u>25,957</u>	<u>17,953</u>
<b>Total assets less current liabilities</b>		<u>37,274</u>	<u>29,736</u>
<b>Provisions for liabilities</b>	16	<u>(887)</u>	<u>(768)</u>
<b>Net assets</b>		<u><u>36,387</u></u>	<u><u>28,968</u></u>
<b>Capital and reserves</b>			
Called up share capital	19	3,138	3,138
Share premium account	20	42	42
Capital redemption reserve	20	4	4
Profit and loss reserves	20	33,203	25,784
<b>Total equity</b>		<u><u>36,387</u></u>	<u><u>28,968</u></u>

The financial statements were approved by the board of directors and authorised for issue on 13 December 2021 and are signed on its behalf by:

  
 W J Sanders  
 Director

# MAWDSLEY-BROOKS & COMPANY LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 April 2019	3,138	42	4	23,086	26,270
Year ended 31 March 2020: Profit and total comprehensive income for the year	-	-	-	2,698	2,698
Balance at 31 March 2020	3,138	42	4	25,784	28,968
Year ended 31 March 2021: Profit and total comprehensive income for the year	-	-	-	7,419	7,419
Balance at 31 March 2021	3,138	42	4	33,203	36,387

# MAWDSLEY-BROOKS & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

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#### 1 Accounting policies

##### Company information

Mawdsley-Brooks & Company Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Number 3 South Langworthy Road, PO Box 18, Salford, M50 2PW.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

##### 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, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Mawdsleys Group Investments Limited. These consolidated financial statements are available from its registered office, Number Three South Langworthy Road, PO Box 18, Salford, M50 2PW.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements presents information about the company as an individual entity and not about its group.

Mawdsley-Brooks & Company Limited is a wholly owned subsidiary of Mawdsleys Group Investments Limited and the results of Mawdsley-Brooks & Company Limited are included in the consolidated financial statements of Mawdsleys Group Investments Limited which are available from Companies House, Crown Way, Cardiff, CF14 3UZ.



# MAWDSLEY-BROOKS & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

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#### 1 Accounting policies (Continued)

##### Going concern

At the time of approving the financial statements, the directors have concluded that it is appropriate to prepare the accounts on a going concern basis. Nearly two years on from the beginning of the global Covid-19 pandemic, the company continues to have a significant cash reserve, still does not require any external borrowing and has maintained its strong balance sheet. To date the company has not experienced any major negative impact on its financial performance due to Covid-19 and continues to service the needs of its healthcare customers. The directors have reviewed financial forecasts for the next 15 months, which allows them to conclude that the company has access to adequate resources in order to continue as a going concern for the foreseeable future.

##### Turnover

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

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.

##### Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Patents are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives.

Computer development costs are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost over 3 years straight line.

##### Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation. Freehold land is not depreciated.

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

Land & buildings	2% straight line
Building improvements	The shorter of 4% straight line or the life of the lease
Leasehold land & buildings	2% straight line
Plant and machinery	15% reducing balance
Fixtures, fittings and equipment	15% reducing balance
Computer equipment	20% straight line
Motor vehicles	25% - 50% reducing balance

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.

# MAWDSLEY-BROOKS & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

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#### 1 Accounting policies (Continued)

##### **Fixed asset investments**

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

##### **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.

##### **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, 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 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.

##### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

##### **Financial instruments**

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

Financial instruments are recognised 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.

# MAWDSLEY-BROOKS & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

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#### 1 Accounting policies (Continued)

##### **Basic financial assets**

Basic financial assets, which include trade and other debtors, amounts owed by group undertakings 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

##### **Other financial assets**

Other financial assets, including trade investments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **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 trade and other creditors 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.

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

# MAWDSLEY-BROOKS & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

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#### 1 Accounting policies (Continued)

##### ***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments where the contractual returns, repayment of the principal, or other terms (such as prepayment provisions or term extensions) do not meet the conditions to be measured at amortised cost, are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

##### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

##### ***Equity instruments***

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

##### ***Taxation***

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

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

# **MAWDSLEY-BROOKS & COMPANY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 MARCH 2021**

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#### **1 Accounting policies (Continued)**

##### **Provisions**

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

##### **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.

##### **Retirement benefits**

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

##### **Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

##### **Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

The government grant income received during the year ended 31 March 2021 related to the Government's Coronavirus Job Scheme.

A grant that specifies performance conditions is recognised in income when the performance conditions are met, which is the month in which the employees are paid.

##### **Foreign exchange**

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

# MAWDSLEY-BROOKS & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Stock is valued at the lower of cost and net realisable value. Net realisable value includes where necessary, provisions for slow moving and obsolete stock. Calculation of these provisions requires judgements to be made.

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2021 £'000	2020 £'000
<b>Turnover analysed by class of business</b>		
Pharmaceutical wholesaling	453,296	359,230
	<u>          </u>	<u>          </u>
	2021 £'000	2020 £'000
<b>Other operating income</b>		
Grants received	82	-
Other income	666	767
	<u>      </u>	<u>      </u>
	748	767
	<u>      </u>	<u>      </u>
	2021 £'000	2020 £'000
<b>Turnover analysed by geographical market</b>		
United Kingdom	406,179	345,739
Overseas	47,117	13,491
	<u>          </u>	<u>          </u>
	453,296	359,230
	<u>          </u>	<u>          </u>

Included in other operating income is £82,429 (2020: £nil) which relates to income received from the Government's Coronavirus Job Retention Scheme.

# MAWDSLEY-BROOKS & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Sales and distribution	453	376
Office and management	51	46
Total	<u>504</u>	<u>422</u>

Their aggregate remuneration comprised:

	2021 £'000	2020 £'000
Wages and salaries	15,598	11,714
Social security costs	1,624	1,108
Pension costs	722	622
	<u>17,944</u>	<u>13,444</u>

### 5 Auditor's remuneration

	2021 £'000	2020 £'000
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the company	30	20
Audit of the financial statements of the company's subsidiaries	1	1
	<u>31</u>	<u>21</u>
For other services		
Taxation compliance services	4	3
Other taxation services	5	34
All other non-audit services	11	6
	<u>20</u>	<u>43</u>

# MAWDSLEY-BROOKS & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 6 Operating profit

	2021 £'000	2020 £'000
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	355	(250)
Government grants	(82)	-
Depreciation of owned tangible fixed assets	1,276	1,434
(Profit)/loss on disposal of tangible fixed assets	(7)	82
Operating lease charges	3,029	3,107
	<u>          </u>	<u>          </u>

### 7 Directors' remuneration

	2021 £'000	2020 £'000
Remuneration for qualifying services	1,033	607
Company pension contributions to defined contribution schemes	43	43
	<u>          </u>	<u>          </u>
	1,076	650
	<u>          </u>	<u>          </u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2020: 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2021 £'000	2020 £'000
Remuneration for qualifying services	638	249
Company pension contributions to defined contribution schemes	14	14
	<u>          </u>	<u>          </u>

During the year, 4 (2020: 6) of the directors of the company also served as directors of Mawdsleys Group Investments Ltd. Of these 4 (2020: 6) directors, 2 (2020: 4) of them received their emoluments from Mawdsleys Group Investments Ltd.

During the year 3 directors were only directors of the company. One of these directors received their remuneration from Mawdsleys Group Investments Ltd.

### 8 Taxation

	2021 £'000	2020 £'000
<b>Current tax</b>		
UK corporation tax on profits for the current period	1,749	607
Adjustments in respect of prior periods	(88)	26
Group tax relief	-	92
	<u>          </u>	<u>          </u>
Total current tax	1,661	725
	<u>          </u>	<u>          </u>



# MAWDSLEY-BROOKS & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 8 Taxation (Continued)

<b>Deferred tax</b>		
Origination and reversal of timing differences	24	209
Changes in tax rates	-	41
Adjustment in respect of prior periods	-	(28)
	<u>24</u>	<u>222</u>
<b>Total deferred tax</b>	<u>24</u>	<u>222</u>
<b>Total tax charge</b>	<u>1,685</u>	<u>947</u>

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Profit before taxation</b>	<u>9,104</u>	<u>3,645</u>
<b>Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)</b>	<b>1,730</b>	<b>693</b>
<b>Tax effect of expenses that are not deductible in determining taxable profit</b>	<b>1</b>	<b>10</b>
<b>Adjustments in respect of prior years</b>	<b>(88)</b>	<b>26</b>
<b>Group relief</b>	<b>-</b>	<b>(92)</b>
<b>Depreciation on assets not qualifying for tax allowances</b>	<b>42</b>	<b>206</b>
<b>Adjustments to deferred tax in respect of prior periods</b>	<b>-</b>	<b>(28)</b>
<b>Remeasurement of deferred tax for change in tax rates</b>	<b>-</b>	<b>41</b>
<b>Adjustment to brought forward values</b>	<b>-</b>	<b>(1)</b>
<b>Group relief payment</b>	<b>-</b>	<b>92</b>
	<u>1,685</u>	<u>947</u>

On 17 March 2020, a resolution was enacted setting the rate of corporation tax at 19%. Subsequent to this, the Chancellor stated his intention to increase the main rate of corporation tax to 25% from 1 April 2023. This further change was enacted on 24 May 2021.

# MAWDSLEY-BROOKS & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 9 Intangible fixed assets

	Computer development costs £'000	Patents and trademarks £'000	Total £'000
<b>Cost</b>			
At 1 April 2020	30	3	33
Disposals	(30)	(3)	(33)
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2021	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Amortisation and impairment</b>			
At 1 April 2020	30	2	32
Disposals	(30)	(2)	(32)
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2021	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Carrying amount</b>			
At 31 March 2021	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2020	-	1	1
	<u>          </u>	<u>          </u>	<u>          </u>

**MAWDSLEY-BROOKS & COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**10 Tangible fixed assets**

	Land & buildings	Building improvements	Plant and machinery	Fixtures, fittings and equipment	Computer equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>							
At 1 April 2020	6,856	2,212	3,421	7,051	4,229	710	24,479
Additions	3	-	13	163	464	275	918
Disposals	-	-	-	-	(695)	(301)	(996)
At 31 March 2021	6,859	2,212	3,434	7,214	3,998	684	24,401
<b>Depreciation and impairment</b>							
At 1 April 2020	1,688	1,320	2,555	3,276	3,687	247	12,773
Depreciation charged in the year	125	96	131	580	210	134	1,276
Eliminated in respect of disposals	-	-	-	-	(695)	(194)	(889)
At 31 March 2021	1,813	1,416	2,686	3,856	3,202	187	13,160
<b>Carrying amount</b>							
At 31 March 2021	5,046	796	748	3,358	796	497	11,241
At 31 March 2020	5,168	892	866	3,775	542	463	11,706

Land and buildings all relate to freehold property.

Included within land and buildings is a property with a net book value of £1,359,000 (2020:£1,395,000) that is rented out to a third party.

# MAWDSLEY-BROOKS & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 11 Fixed asset investments

	Notes	2021 £'000	2020 £'000
Investments in subsidiaries	12	76	76

#### Movements in fixed asset investments

	Shares in group undertakings £'000
<b>Cost</b>	
At 1 April 2020 & 31 March 2021	76
<b>Carrying amount</b>	
At 31 March 2021	76
At 31 March 2020	76

### 12 Subsidiaries

These financial statements are separate company financial statements for Mawdsley-Brooks & Company Limited.

Details of the company's subsidiaries at 31 March 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Mawdsleys Pharmaceuticals Do Brasil Ltda	Brazil	Marketing Company	Ordinary	10.00
M.B.I. Pharma Ltd	Israel	Marketing Company	Ordinary	76.00
Pathfinder Healthcare Limited	England & Wales	Non-trading	Ordinary	52.00
Wellspring Pharmaceutical Services Limited	England & Wales	Dormant	Ordinary	100.00
Wellspring Pharmaceutical Services UK Limited	England & Wales	Dormant	Ordinary	100.00
MBI Medtech Ltd	Israel	Dormant	Ordinary	52.00

#### Registered office addresses:

UK subsidiaries - Number Three South Langworthy Road, PO BOX 18, Salford, Lancashire, M50 2PW

MBI Pharma Ltd and MBI Medtech Ltd - HaOreg 4, HaSharon Industrial Park, PO Box 5061, Kadima, Israel 6092000

Mawdsleys Pharmaceuticals Do Brasil Ltda - Rua Dom José de Barros, no.177, 5º andar, conjunto 501, República, CEP 01038-100, in the city of São Paulo, State of Sao Paulo, Brazil

# MAWDSLEY-BROOKS & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 13 Stocks

	2021 £'000	2020 £'000
Finished goods and goods for resale	14,669	17,386

### 14 Debtors

	2021 £'000	2020 £'000
Amounts falling due within one year:		
Trade debtors	56,411	55,468
Amounts owed by group undertakings	14,714	16,019
Other debtors	2	10
Prepayments and accrued income	3,511	3,331
	74,638	74,828

### 15 Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Trade creditors	64,928	71,554
Amounts owed to group undertakings	12,347	12,062
Corporation tax	789	106
Other taxation and social security	1,538	4,034
Other creditors	99	78
Accruals and deferred income	6,055	7,552
	85,756	95,386

The company has an overdraft facility which was secured by way of a fixed and floating charge over certain assets of the company via a debenture. The debenture was entered into on 7 May 2020 and released on 7 June 2021.

### 16 Provisions for liabilities

	Notes	2021 £'000	2020 £'000
Provision for dilapidations of leasehold improvements		260	165
Deferred tax liabilities	17	627	603
		887	768

# MAWDSLEY-BROOKS & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 16 Provisions for liabilities (Continued)

Movements on provisions apart from deferred tax liabilities:

	Provision for dilapidations of leasehold improvements £'000
At 1 April 2020	165
Charge to profit and loss	95
	<hr/>
At 31 March 2021	260
	<hr/>

It is expected that the dilapidations provision will be utilised over the remaining lives of the leases.

### 17 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2021 £'000	Liabilities 2020 £'000
<b>Balances:</b>		
Accelerated Capital Allowances	652	610
Short term timing differences	(25)	(7)
	<hr/>	<hr/>
	627	603
	<hr/>	<hr/>
<b>Movements in the year:</b>		2021 £'000
Liability at 1 April 2020		603
Charge to profit or loss		24
		<hr/>
Liability at 31 March 2021		627
		<hr/>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

# MAWDSLEY-BROOKS & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 18 Retirement benefit schemes

	2021	2020
	£'000	£'000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	722	622

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions totalling £88,369 (2020: £72,953) were unpaid to the fund at the year end and are included in creditors.

### 19 Share capital

	2021	2020
	£'000	£'000
Ordinary share capital		
Issued and fully paid		
554,880 Ordinary shares of £1 each	555	555
2,317,440 Ordinary "A" shares of £1 each	2,317	2,317
264,800 Ordinary "B" shares of £1 each	265	265
145,000 Ordinary "C" shares of 1p each	1	1
	3,138	3,138

The Ordinary shares, Ordinary A shares and Ordinary B shares carry equal voting, capital and distribution rights. The Ordinary C shares carry equal capital and distribution rights. These shares do not carry voting rights.

# MAWDSLEY-BROOKS & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 20 Reserves

#### Profit and Loss Reserves

Cumulative profit and loss net of distributions to owners.

#### Share Premium

Consideration received for shares issued above their nominal value net of transaction costs.

#### Capital Redemption Reserve

The nominal value of shares repurchased and still held at the end of the reporting period.

### 21 Operating lease commitments

#### Lessee

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

	2021 £'000	2020 £'000
Within one year	1,323	889
Between one and five years	2,661	2,571
In over five years	120	457
	<u>4,104</u>	<u>3,917</u>

### 22 Related party transactions

During the year, the company received marketing services in the ordinary course of business from a majority owned subsidiary, MBI Pharma Limited. Costs of £6,792,000 (2020: £2,416,000) were recognised. At the year end £498,000 was payable to MBI Pharma Limited (2020: £16,000 receivable). These amounts all relate to trading balances and are unsecured.

### 23 Ultimate controlling party

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

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

### 24 Post balance sheet events

On 17 November 2021, 411,756 D ordinary shares of £0.01 each were issued at a subscription price of £1.23 per share to William Sanders, a director of the company. These shares are held under a Nominee agreement on behalf of employees of the company and employees of Positive Solutions Limited (also a subsidiary of Mawdsleys Group Investments Limited the ultimate parent undertaking of Mawdsley-Brooks & Company Limited). The D ordinary shares do not carry voting rights, but carry equal capital and distribution rights.

The D ordinary shares are subject to a put option whereby the holders of the D ordinary shares will have the right to sell the shares to Mawdsleys Group Investments Limited at a future date using a defined methodology to determine the selling price.