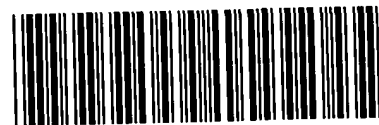


Laxmico Limited

Company registration no. 06883630 (England and Wales)

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

WEDNESDAY



AAE1Q4XU

A10

29/09/2021

#89

COMPANIES HOUSE

Laxmico Limited

COMPANY INFORMATION

Directors	Mr G Hathi Mr S Hathi Mrs A Hathi
Secretary	Mr G Hathi
Registered company number	06883630
Registered office	Unit 4 Bradfield Road Ruislip Middlesex HA4 0NU
Auditor	KPMG LLP
Banker	HSBC Bank plc

Laxmico Limited

CONTENTS

	Page
Strategic report	1 - 3
Directors' report	4 – 5
Independent auditor's report	6 – 8
Profit and loss and other comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Notes to the financial statements	12 - 21

Laxmico Limited

STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2020

The directors present their strategic report for the year ended 30 September 2020. The comparatives are for an 18-month period ending 30 September 2019.

Our industry

The Company's principal activity is the distribution of pharmaceutical products to independent pharmacies in the UK. We operate in a highly competitive sector by providing a customer service and range of locally sourced, as well imported pharmaceutical products.

The Company's activities are regulated by the Medicines and Healthcare products Regulatory Agency (MHRA).

Our strategy

Our strategy is to provide value to the hard-working pharmacist. We do this by an excellent telesales support and extensive range of products competitively priced on a daily basis. We aim to be the supplier of choice to the independent pharmacies and grow organically.

Fair review of the business

On 01 April 2018, the trade and assets of the Company were transferred to Gowrie Laxmico Limited, a fellow group company. The Company was then inactive up to 20 June 2019 when all the trade and assets of Gowrie Laxmico Limited were transferred back to the Company. After this date, Laxmico Limited resumed trading in its own name.

Therefore, the results reported here for the year include a full year's trading activity and the comparative 18-month period includes trading activity for 102 days during this period. The financial statements therefore should be read in this context.

Turnover, on a pro-rata basis, is down 11.9% versus the prior period. This reflects a drive for higher gross margin, which is significantly above the prior period on a pro-rata basis. The impact of Covid-19 is not believed to be significant.

Our trading and financial highlights for the year are:

	2020	2019
	12 months	18 months
	£m	£m
Turnover	236.4	50.0
Gross profit	25.4	7.7
EBITDA	4.0	2.3
Depreciation	0.3	0.3
Profit before tax	3.0	1.8
Net assets	8.1	5.0

Principal risks and uncertainties

The directors review the principal risks and uncertainties on a regular basis. The principal risks and uncertainties affecting the Company are financial and regulatory as summarised below.

Liquidity risk - the Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Company's policy throughout the year has been to achieve this objective through management actively monitoring the headroom availability on a daily basis.

Interest risk - the Company finances its operations through a mixture of retained profits and asset-based lending facility. The Company does not ordinarily enter in to derivative transactions to hedge the interest rate as the directors consider that the interest rate is adequately managed without the use of such instruments. However, the directors will continue to monitor these risks and appropriateness of such instruments.

Laxmico Limited

STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2020

Credit risk - the Company's principal financial assets are cash and trade debtors. The credit risk associated with cash is limited as the counterparties have high credit ratings assigned by international credit-rating agencies. The principal credit risk rises, therefore, from trade debtors. Credit risk is managed by setting limits for customers and this is based on a combination of payment history, third party credit references and a review of published financial information. Credit limits are reviewed by the financial controller on a regular basis in conjunction with debt averaging and collection history. The Company also holds a credit insurance policy as safeguard.

Regulations

The Company operates in a market and an industry which is subject to specific regulations that govern the way the business must be conducted. The directors and the regulatory department ensure that the Company complies with its obligations in all its operations.

Funding

Since 15 December 2017, Gowrie Laxmico Limited and certain other group companies have operated with an £85m asset-backed facility made available to them by HSBC Invoice Finance (UK) Limited, as agent, and other banks. The minimum term for this uncommitted facility expires on 15 March 2022 and it continues in place thereafter, terminable with 3 months' notice given by either party. HSBC currently provide 64.7% of the new facility and the balance is provided by BNP Paribas Commercial Finance Limited.

The Banks hold a debenture including a fixed and floating charge over the Company.

Development and performance

On 1 April 2018, the Company transferred its trade and assets to Gowrie Laxmico Limited, a fellow group company, which specialises in the importation of pharmaceutical products.

On 20 June 2019, the trade and assets which were previously transferred to Gowrie Laxmico Limited were transferred back to Laxmico Limited to allow Gowrie Laxmico Limited to focus on importation and reduce the risk exposures for the Company in order to mitigate commercial risk.

Greenhouse gas emissions, energy consumption and energy efficiency action

The company has gathered data regarding scope one and two carbon emissions (as defined by the GHG Protocol) for the financial year 01 October 2019 to 30 September 2020 from its UK Operations for inclusion in company reporting (2020) as defined by the requirements as follows:

UK greenhouse gas emissions and energy use data for the year ended 30 September 2020:

Units	
Energy consumption break down (optional):	
Energy consumption by Company owned delivery vehicles	kWh 8,243
Fuel oil	hWh 178,329
Electricity consumption in Company buildings	kWh 925,750
Total energy consumption used to calculate emissions	kWh 1,112,322
Scope 1 - Emissions from combustion of fuel oil	kgCo2e 47,748
Scope 1 - Emissions from business travel in company-owned delivery vehicles	2,099
Scope 2 - Emissions from purchased electricity	kgCO2e 215,829
Total CO2e based on scope 1 & 2 emissions	kgCO2e 265,676
Intensity ratio: KgCO2e gross figure based on mandatory fields above	kgCO2 / £100,000 turnover 110.24

The energy consumption information for scope one and two has been sourced from billing/invoice data and company owned delivery vehicles mileage data. Since this is the first year of the carbon footprint calculation, it is not possible to publish a year-on-year change at this time. Additionally, no energy efficiency actions were taken in this reporting year.

Laxmico Limited

STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2020

Key performance indicators

The directors use a number of key performance indicators to measure profitability and working capital. These are monitored on an ongoing basis by the management and are set out below:

	2020 12 months	2019 18 months
Financial Indicators		
Revenue (£m)	236.4	50.0
Profitability ratios:		
Gross margin (gross profit as % of revenue)	10.8%	15.4%
EBITDA (profit before depreciation, amortisation, interest and tax as % of revenue)	1.7%	4.7%
Other indicators:		
Average debtor days	90 days	90 days

Section 172 statement – Companies (Miscellaneous Reporting) Regulations 2018:

Section 172 of the Companies Act 2006 requires an entity's Directors to act in a way they consider, in good faith will promote the success of the company for the benefit of its stakeholders. The Directors of Laxmico Limited have considered their duties, and amongst other matters, have had regard to:

- The likely consequences of any long-term decisions taken and the impact on all stakeholders are considered
- The interests of the company's employees. Our people play a key role in helping us to achieve our strategic priorities and committed and engaged employees are crucial to our success
- The need to foster strong working relationships with suppliers, customers, and others
- The impact of the company's operations on our community and the environment, reducing our emissions and improving our carbon footprint in the communities where we operate
- The need to conduct business to the highest levels of integrity, ensuring that we and our customers and suppliers apply high standards in their social, environmental, and ethical conduct
- The need to treat all our stakeholders fairly building open and constructive relationships.

In satisfying Section 172 duties, the Directors have thought about the factors set out above along with other components which we consider to be important when decisions are being made. Examples of those factors include relationships with employees, customers, and suppliers.

On behalf of the board:


.....
Mr S Hathi
Director

Date: 26/08/2021

Laxmico Limited

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2020

The directors present their annual report and financial statements for the year ended 30 September 2020. The comparatives are stated for the 18-month period ending 30 September 2019.

Directors

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

Mr G Hathi
Mr S Hathi
Mrs A Hathi

Results and dividends

The results for the year are set out on page 8. No dividend was paid in the year (2019: £0).

Auditor

KPMG LLP were appointed as auditor to the Company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Political contributions

Company made no political contributions in the current or prior year.

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Company is part of a group of companies headed by Gowrie Holdings Limited. The Company is a guarantor company, along with Gowrie Laxmico Limited and Laxmico Group Finance Limited, all majority-controlled subsidiaries of Gowrie Holdings Limited, for the borrowing facilities provided to those group companies involved in the importation and distribution of pharmaceutical products to independent pharmacies (the "Bank Guarantor Group").

In August 2021, the directors of the Bank Guarantor Group undertook an assessment of the ability of the Bank Guarantor Group to continue in operation and meet its liabilities as they fall due over the 16-month period to 31 December 2022. In doing so, the directors considered events throughout the period of their assessment, including the availability of the existing Bank Guarantor Group financing facilities.

The Bank Guarantor Group have prepared cash flow forecasts for the 16-month period to 31 December 2022 including a severe but plausible downside scenario reflecting trading levels post the licence suspension in December 2020 only returning to pre licence suspension levels in Q4 of 2021. The Company has been operating above cash flow projections in June and July 2021 and therefore the fact that the projections used for going concern assessment are not updated to reflect this matter are considered as a downside scenario. Under all scenarios considered, the Bank Guarantor Group was able to operate within its existing borrowing facilities and its financial covenants. The plan shows that the Company and the Bank Guarantor Group in which it operates is a going concern when considering the profitable trading of the Company and Bank Guarantor Group and continuation of the existing Bank Guarantor Group financing facility.

As set out in note 15, the minimum period for the existing borrowing facilities expires on 15 March 2022. The directors have no plans to terminate the facilities and expect the facility to continue without termination in the short term. Over the next six months the directors expect the existing facilities to be replaced with a new agreement on the same or improved terms. The timing of agreeing a new financing arrangement and conditions attaching to any new agreement is currently uncertain.

In the analysis performed, the directors also considered what would happen if the facility was terminated during the assessment period and they were required to repay the outstanding borrowings at the end of a three-month notice period. The directors of Gowrie Holdings Limited have indicated that, in this scenario, they would have available funds and would intend to provide the financial support required to make the repayment and support the Bank Guarantor Group until such a time that new financing arrangement was in place. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Laxmico Limited

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2020

The directors are confident, based on the circumstances outlined above, that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 16 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

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, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditor is aware of that information.

Subsequent events disclosure

Subsequent to the balance sheet date, on 18 December 2020 the MHRA temporarily suspended the wholesale distribution licence of Gowrie Laxmico Limited, a sister group undertaking, also part of the Bank Guarantor Group. Extensive procedures were overhauled and the licence was reinstated on 25 February 2021, with trading recommencing on 08 March.

The impact of this is that the Bank Guarantor Group will post an overall loss for the current financial year. The directors expect that the Bank Guarantor Group will achieve profitability by the end of September 2021.

On behalf of the board:



Mr S Hathl
Director

Date: 26/08/2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAXMICO LIMITED

Opinion

We have audited the financial statements of Laxmico Limited ("the company") for the year ended 30 September 2020 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*
- 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board meeting minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAXMICO LIMITED

As required by auditing standards, and taking into account possible pressures to meet profit targets and covenants and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because of the non-complex revenue recognition process, with revenue recognised on dispatch, and that the Company has a policy of reversing all revenue from sales made on the last day of the financial year recognizing that they won't be delivered until after the year end.

We did not identify any additional fraud risks

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included unusual account combinations for revenue and cash journals.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of Company's license to operate. We identified the following areas as those most likely to have such an effect: MHRA regulations, health and safety, anti-bribery, employment law, data protection and environment legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and Directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAXMICO LIMITED

- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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; or

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

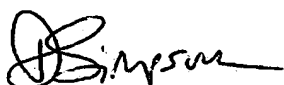
Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



David Simpson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
58 Clarendon Road
Watford
WD17 1DE

Date: 31 August 2021

Laxmico Limited

PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME

		2020	2019
		12 months	18 months
	Notes	£	£
Turnover	3	236,375,247	49,959,271
Cost of sales		(210,962,880)	(42,265,432)
Gross profit		25,412,367	7,693,839
Administrative expenses		(21,726,615)	(5,633,638)
Operating profit	4	3,685,752	2,060,201
Interest payable and similar expenses	7	(665,426)	(233,700)
Profit before taxation		3,020,326	1,826,501
Tax on profit	8	52,735	(331,942)
Profit for the financial year		3,073,061	1,494,559

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognized gains and losses for 2020 or 2019 other than those disclosed in the profit and loss account.

There was no other comprehensive income for 2020 (2019: £nil)

The notes on page 11 to 20 form part of these financial statements.

Laxmico Limited

BALANCE SHEET AS AT 30 SEPTEMBER 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Tangible assets	9		905,650		948,469
Current assets					
Stocks	11	26,735,146		12,347,202	
Debtors	12	62,567,844		52,640,124	
Cash at bank and in hand	1.7	860,552		65,800	
		90,163,542		65,053,126	
Creditors: amounts falling due within one year	13	(80,691,526)		(60,640,452)	
Net current assets			9,472,016		4,412,674
Total assets less current liabilities			10,377,666		5,361,143
Creditors: amounts falling due after more than one year	14		(2,318,462)		(375,000)
Net assets			<u>8,059,204</u>		<u>4,986,143</u>
Capital and reserves					
Called up share capital	18		100		100
Profit and loss reserves			8,059,104		4,986,043
Total equity			<u>8,059,204</u>		<u>4,986,143</u>

The financial statements were approved by the board of directors and authorised for issue on 26/08/2021 and are signed on its behalf by:



 Mr S Hathi
 Director

Company registration no. 06883630

The notes on page 12 to 21 form part of these financial statements.

Laxmico Limited

STATEMENT OF CHANGES IN EQUITY AS AT 30 SEPTEMBER 2020

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 2018	100	3,491,484	3,491,584
18-month period to 30 September 2019:			
Profit and total comprehensive income for the year		1,494,559	1,494,559
Balance at 30 September 2019	100	4,986,043	4,986,143
Year ended 30 September 2020:			
Profit and total comprehensive income for the year		3,073,061	3,073,061
Balance at 30 September 2020	100	8,059,104	8,059,204

The notes on page 11 to 20 form part of these financial statements.

Laxmico Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

Company information

Laxmico Limited is a private company limited by shares and is incorporated in England and Wales. The registered office is Unit 4, Bradfield Road, Ruislip, Middlesex, HA4 0NU.

The Company's parent undertaking, Laxmi BNS Holdings Limited, includes the Company in its consolidated financial statements prepared under FRS 102. These are available to the public from its registered office, Unit 4, Bradfield Road, Ruislip, Middlesex, HA4 0NU.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Key Management Personnel compensation; and
- Reconciliation of the number of shares outstanding from the beginning to the end of the period.

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 £.

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

1.2 Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Company is part of a group of companies headed by Gowrie Holdings Limited. The Company is a guarantor company, along with Gowrie Laxmico Limited and Laxmico Group Finance Limited, all majority-controlled subsidiaries of Gowrie Holdings Limited, for the borrowing facilities provided to those group companies involved in the importation and distribution of pharmaceutical products to independent pharmacies (the "Bank Guarantor Group").

In August 2021, the directors of the Bank Guarantor Group undertook an assessment of the ability of the Bank Guarantor Group to continue in operation and meet its liabilities as they fall due over the 16-month period to 31 December 2022. In doing so, the directors considered events throughout the period of their assessment, including the availability of the existing Bank Guarantor Group financing facilities.

The Bank Guarantor Group have prepared cash flow forecasts for the 16-month period to 31 December 2022 including a severe but plausible downside scenario reflecting trading levels post the licence suspension in December 2020 only returning to pre licence suspension levels in Q4 of 2021. The Company has been operating above cash flow projections in June and July 2021 and therefore the fact that the projections used for going concern assessment are not updated to reflect this matter are considered as a downside scenario. Under all scenarios considered, the Bank Guarantor Group was able to operate within its existing borrowing facilities and its financial covenants. The plan shows that the Company and the Bank Guarantor Group in which it operates is a going concern when considering the profitable trading of the Company and Bank Guarantor Group and continuation of the existing Bank Guarantor Group financing facility.

As set out in note 17, the existing borrowing facilities expire on 31 March 2022. The directors have no plans to terminate the facilities and expect the facility to continue without termination in the short term. Over the next six months the directors expect the existing facilities to be replaced with a new agreement on the same or improved terms. The timing of agreeing a new financing arrangement and conditions attaching to any new agreement is currently uncertain.

In the analysis performed, the directors also considered what would happen if the facility was terminated during the assessment period and they were required to repay the outstanding borrowings at the end of a three-month notice period. The directors of Gowrie Holdings Limited have indicated that, in this scenario, they would have available funds and would intend to provide the financial support required to make the repayment and support the Bank Guarantor Group until such a time that new financing arrangement was in place. As with any company

Laxmico Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

1.2 Going concern (continued)

placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

The directors are confident, based on the circumstances outlined above, that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 16 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis..

1.3 Turnover

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

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 delivery of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Tangible fixed assets

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

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

Long term Leasehold Property	Estimated useful life or period of the lease if shorter and not expected to be renewed
Plant and machinery	10% - 33% Straight line
Fixtures & fittings	10% - 33% Straight line

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

1.5 Impairment of fixed assets

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

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

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

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

1.6 Stocks

Stocks are valued at the lower of weighted average cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

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

1.7 Cash at bank and in hand

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

1.8 Financial instruments

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

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

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

Other financial assets

Other financial assets 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.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, 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.

1 Accounting policies

1.8 Financial instruments (continued)

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

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

1.10 Foreign Exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

1.11 Research and development expenditure

Expenditure on research is written off in the period in which it is incurred. Development expenditure incurred on specific projects are capitalised where the Board are satisfied that its future recoverability can reasonably be regarded as assured, and is amortised in line with the expected sales arising from the projects. All other development costs are written off in the period in which it is incurred.

1.12 Taxation

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

Tax on profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: difference between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at tax rate that is expected to apply to reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to extent that is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits

Laxmico Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

1.13 Employee benefits

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

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

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

1.14 Retirement benefits

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

1.15 Leases

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

1.16 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

2 Judgements and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgments and estimates have been made include:

Critical judgements and estimates

The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements:

Stock provision

In applying the Company's policy for the valuation of stock, management are required to assess the expected selling price and costs to sell each item of stock. Estimation of selling price is subject to uncertainties and include the prediction of future trends in the market and time it will take to sell an item of stock.

3 Turnover and other revenue

The turnover and loss before tax are attributable to the one principal activity of the Company. All turnover arose within the United Kingdom.

4 Operating profit

	2020 12 Months	2019 18 Months
Operating profit for the year is stated after charging/(crediting):	£	£
Depreciation of owned tangible fixed assets	346,657	287,375
Amortisation of intangible assets	-	-
Operating lease charges	1,021,235	578,821

5 Auditor's remuneration

	2020 12 Months	2019 18 Months
Fees payable to the Company's auditor, KPMG LLP:	£	£
For the audit of the financial statements of the Company	60,000	27,150

Laxmico Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

6 Employees

	2020	2019
	12 months	18 months
	No.	No.
The average monthly number of persons (including directors) employed by the Company during the year was:		
Production staff	183	40
Administrative and management staff	65	13
Sales staff	19	4
	<u>267</u>	<u>57</u>
Their aggregate remuneration comprised:	£	£
Wages and salaries	6,915,661	1,750,337
Social security costs	686,498	214,132
Pension costs	157,147	52,520
	<u>7,759,306</u>	<u>2,016,989</u>

7 Interest payable and similar expenses

	2020	2019
	12 months	18 months
	£	£
Interest on financial liabilities measured at amortised cost:		
Invoice discounting charge	670,482	224,613
Other Interest	(5,056)	9,087
	<u>665,426</u>	<u>233,700</u>

8 Taxation

	2020	2019
	12 months	18 months
	£	£
UK corporation tax on profits for the current period	-	269,801
Adjustment in respect of previous periods	-	62,707
Total current tax	<u>-</u>	<u>332,508</u>
Deferred tax:		
Origination and reversal of timing differences	(33,682)	(61,903)
Adjustments in respect of previous periods	(19,053)	61,337
Total deferred tax	<u>(52,735)</u>	<u>(566)</u>
Total tax charge/(credit)	<u>(52,735)</u>	<u>331,942</u>
The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:		
Profit before taxation	3,020,326	1,826,501
Expected tax charge based on the standard rate of corporation tax in the UK of 19.0% (2018: 19.0%)	573,862	347,035
Tax effect of expenses that are not deductible in determining taxable profit	62,444	5,274
Fixed Asset differences	(4,252)	-
Adjustments to brought forward values	(7,474)	-
Adjustments to tax charge in respect of previous periods - Corporation tax	-	62,707
Adjustments to tax charge in respect of previous periods - Deferred tax	-	61,337
Deferred Tax not recognised	(52,735)	-
Group Relief surrendered/(claimed)	(624,580)	-
Other differences	-	(144,411)
Taxation charge for the year	<u>(52,735)</u>	<u>331,942</u>

Laxmico Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

8 Taxation (continued)

Factors affecting the tax charge in future periods:

In the Budget 2021, the government announced legislation maintaining the Corporation Tax main rate at 19% until March 2023. In April 2023, the main rate of Corporation Tax will rise to 25% (for profits exceeding £250,000).

The deferred tax balance as at 30 September 2020 has been calculated based on these rates.

9 Tangible fixed assets

	Long term leasehold property	Plant & machinery	Fixtures & fittings	Total
	£	£	£	£
Cost				
At 1 October 2019	847,324	3,085,066	545,473	4,477,863
Additions	161,872	28,395	113,571	303,838
At 30 September 2020	<u>1,009,196</u>	<u>3,113,461</u>	<u>659,044</u>	<u>4,781,701</u>
Depreciation and impairment				
At 1 October 2019	321,572	2,969,220	238,603	3,529,395
Depreciation charged in the year	117,896	101,551	127,209	346,656
At 30 September 2020	<u>439,468</u>	<u>3,070,771</u>	<u>365,812</u>	<u>3,876,051</u>
Carrying amount				
At 30 September 2020	<u>569,728</u>	<u>42,690</u>	<u>293,232</u>	<u>905,650</u>
At 30 September 2019	<u>525,752</u>	<u>115,846</u>	<u>306,870</u>	<u>948,469</u>

10 Financial instruments

	2020	2019
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	<u>61,284,127</u>	<u>51,582,700</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>76,221,931</u>	<u>60,695,692</u>

Debt instruments are composed of trade debtors, other debtors and amounts due from group undertakings. Financial liabilities measured at amortised cost are composed of trade creditors, amounts due to group undertakings, invoice financing, other creditors, other creditors more than one year and accruals and deferred income.

11 Stocks

	2020	2019
	£	£
Finished goods and goods for resale	<u>26,735,146</u>	<u>12,347,202</u>

The stock balance at the year-end includes a provision of £699,000 (2019: £160,000) against slow moving and obsolete stock.

Laxmico Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

12 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	59,490,325	48,736,722
Deferred tax (note 16)	214,686	161,951
Corporation Tax	455,526	-
Amounts due from group undertakings	1,034,853	2,409,327
Other debtors	758,949	436,651
Prepayments and accrued income	613,505	895,473
	<u>62,567,844</u>	<u>52,640,124</u>

Included within prepayments and accrued income, is £39k (2019: £254k) of unamortised arrangement fees relating to the invoice financing facility. These are being amortised over three years.

13 Creditors: amounts falling due within one year

	2020	2019
	£	£
Notes		
Trade creditors	16,650,434	19,502,629
Amounts due to group undertakings	8,767,004	5,083,505
Corporation tax	-	219,560
Other taxation and social security	6,788,057	100,200
Invoice financing	44,126,194	32,501,361
Other creditors	689,011	351,313
Accruals and deferred income	3,670,826	2,881,884
	<u>80,691,526</u>	<u>60,640,452</u>

Since 15 December 2017, the Company and certain other group companies entered into an £85m asset-backed facility made available to it from HSBC Invoice Finance (UK) Limited as agent, with other banks. This uncommitted facility was for a 3-year term, there after terminable by 3 months' notice by either party. HSBC currently provide 64.7% of the facility and the balance is provided by BNP Paribas Commercial Finance Limited..

The banks hold a debenture including a fixed and floating charge over the Company.

Included within other creditors is deferred consideration of £300,000 (2019: £300,000) in respect of the acquisition of part of the trade and assets from Waymade Plc.

14 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Other creditors in respect of the acquisition of part of the trade and assets from Waymade Plc	75,000	375,000
Deferred VAT liability	2,243,462	-
	<u>2,318,462</u>	<u>375,000</u>

15 Loans and overdrafts

Since 15 December 2017, Laxmico Limited and certain other group companies have operated with an £85m asset-backed facility made available to them by HSBC Invoice Finance (UK) Limited, as agent, and other banks. The minimum term for this uncommitted facility expires on 15 March 2022 and it continues in place thereafter, terminable with 3 months' notice given by either party. HSBC currently provide 64.7% of the new facility and the balance is provided by BNP Paribas Commercial Finance Limited.

The Banks hold a debenture including a fixed and floating charge over the Company. .

Laxmico Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

16 Deferred taxation

	Asset 2020 £	Asset 2019 £
The major deferred tax assets and liabilities recognised by the Company and movements thereon are:		
Fixed asset timing differences	97,548	102,339
Other short term timing differences	117,138	59,612
Total	<u>214,686</u>	<u>161,951</u>
Balance at 1 October 2019	161,951	
Deferred tax charge for the year	52,735	
Balance at 30 September 2020	<u>214,686</u>	

17 Retirement benefit schemes

	Sep 2020 £	Sep 2019 £
Charge to profit or loss in respect of defined contribution schemes	<u>157,147</u>	<u>52,520</u>

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 £8,177 (2019 - £39,431) were payable to the scheme at the end of the year and are included in creditors.

18 Share capital

	Sep 2020 £	Sep 2019 £
Ordinary share capital - issued and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

19 Operating lease commitments

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

	Sep 2020 £	Sep 2019 £
Less than 1 year	973,188	1,025,604
2 to 5 years	3,047,599	3,873,757
In over five years	-	160,000
Total	<u>4,020,787</u>	<u>5,059,361</u>

20 Related party transactions

The Company has taken advantage of the exemption available in FRS 102 (Section 33 "Related Party Disclosure") that disclosures need not be given of transactions that have taken place between two or more members of group, provided that any subsidiary which a party to the transaction is wholly owned by such a member.

There were no key management personnel in the year, apart from the directors.

During the period, the company entered into the following transactions with related parties:

The Company paid rent of £960,000 (2019: £536,667) to Portside North Limited, an associated company controlled by Gowrie Holdings Limited. Amounts outstanding at the period end totalled £425 (2019: Amounts payable £144,725).

The Company paid rent of £21,600 (2019: £12,600) to Gowrie Properties Limited, an associated company controlled by Gowrie Holdings Limited. Amounts outstanding at the period end totalled £249 (2019: £0).

Amounts totalling £681,869 (2019: £198,076) were invoiced to the Company in respect of services provided by Gowrie Holdings Limited, the ultimate parent company. Amounts payable at the period end totalled £586,066 (2019: Amounts outstanding £589,805).

Laxmico Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

Amounts totalling £204,110 (2019: £0) were incurred by the Company in respect of services provided by Luxsh Technologies Limited, a company controlled by Mr Atul Sofat, an employee of the Laxmi BNS Holdings Limited group. Amounts receivable at the period end totalled £334,346 (2019: £0).

Amounts totalling £401,387 (2019: £447,514) were invoiced by the Company in respect of goods and services provided to Syri Limited, amounts totalling £3,413,390 (2019: £4,472,160) were invoiced to the group in respect of goods and services provided by Syri Limited, an associated company controlled by Gowrie Holdings Limited. Amounts outstanding at the period end totalled £114,801 (2019: £1,412,977).

Amounts totalling £207,800 (2019: £322,546) were invoiced by the Company in respect of goods provided to Gowrie Retail Limited, an associated company controlled by Gowrie Holdings Limited. Amounts receivable at the period end totalled £324,597 (2019: £255,425).

Amounts totalling £1,762,357 (2019: £603,665) were invoiced to the group in respect of services provided by Gowrie Healthcare PVT Limited, a company controlled by Mr S Hathi. Amounts payable at the period end totalled £380,415 (2019: £0).

21 Directors' remuneration

Directors' remuneration for qualifying services of all three directors during the year was £300,000 (2019: £200,057).

Remuneration disclosed above includes £149,961 (2019: £133,347) paid to the highest paid director.

22 Ultimate parent company and control

The immediate parent company is Laxmi BNS Holdings Limited, a company incorporated and registered in England and Wales.

At 30 September 2020 the Company's ultimate parent company, by virtue of its ownership of 100% of the 'A' Ordinary shares in Laxmi BNS Holdings Limited, was Gowrie Holdings Limited, a company incorporated in the Isle of Man.

Laxmi BNS Holdings Limited is the parent of the largest group which prepares consolidated financial statements available for public use.

The ultimate controlling party is considered to be Mr. S Hathi, by virtue of his majority shareholding of the issued share capital of Gowrie Holdings Limited.

23 Subsequent events disclosure

Subsequent to the balance sheet date, on 18 December 2020 the MHRA temporarily suspended the wholesale distribution licence of Gowrie Laxmico Limited, a sister group undertaking, also part of the Bank Guarantor Group. Extensive procedures were overhauled and the licence was reinstated on 25 February 2021, with trading recommencing on 08 March.

The impact of this is that the Bank Guarantor Group will post an overall loss for the current financial year. The directors expect that the Bank Guarantor Group will achieve profitability by the end of September 2021.