

**GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTOR AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021
FOR
WELLBEING (UNITED KINGDOM) LIMITED**

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for the year ended 28 February 2021**

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WELLBEING (UNITED KINGDOM) LIMITED

COMPANY INFORMATION
for the year ended 28 February 2021

DIRECTOR: S Seow

SECRETARY: M M Raza

REGISTERED OFFICE: 8 Prior Deram Walk
Coventry
West Midlands
CV4 8FT

REGISTERED NUMBER: 06994034 (England and Wales)

AUDITORS: Luckmans Duckett Parker Limited
1110 Elliott Court
Coventry Business Park
Herald Avenue
Coventry
West Midlands
CV5 6UB

**GROUP STRATEGIC REPORT
for the year ended 28 February 2021**

The director presents his strategic report of the company and the group for the year ended 28 February 2021.

REVIEW OF BUSINESS

The principal activity of the Group is that of retail dispensing chemists. Turnover has increased by £2,506,181 compared to 2020 which is largely due to the acquisition of a further chemist by the Parent Company during the year which operated from September 2020, acquisition of a further chemist operated under a new subsidiary company from September 2020 and a further pharmacy acquired by a subsidiary for which a full year's results are reported. A full year's trading is also reported for two subsidiaries compared to eleven months in the comparative period and for a further subsidiary where the comparative includes five months of trading.

PRINCIPAL RISKS AND UNCERTAINTIES

The pharmacy sector is closely monitored by the Department of Health. The drug pricing levels determined by the Department of Health directly impact the Company and thereby has an affect upon the Group's turnover and profitability. In terms of the gross profit, the margin has been affected by a few important wholesalers who got their licence suspended by MHRA. The shortage of medication has led to the price increase on purchase.

DEVELOPMENT AND PERFORMANCE

The Group continues to trade strongly. Key performance indicators are:

Turnover increase 2,506,181

Gross margin percentage decrease -2.80%

Increase in number of employees 18

ON BEHALF OF THE BOARD:

S Seow - Director

18 January 2022

**REPORT OF THE DIRECTOR
for the year ended 28 February 2021**

The director presents his report with the financial statements of the company and the group for the year ended 28 February 2021.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of retail chemists.

DIVIDENDS

No dividends will be distributed for the year ended 28 February 2021.

DIRECTOR

S Seow held office during the whole of the period from 29 February 2020 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Group Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Luckmans Duckett Parker Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

S Seow - Director

18 January 2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WELLBEING (UNITED KINGDOM) LIMITED

Qualified Opinion

We have audited the financial statements of Wellbeing (United Kingdom) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 28 February 2021 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements give a true and fair view of the Company as at 28th February 2021 in accordance with the Financial Reporting Framework.

Basis for Qualified 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group 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.

Due to the nature and timing of the auditors' work, the timing of the auditors' appointment is such that the auditor is unable to obtain independent inventory confirmation at 28th February 2020 and 28th February 2019. We were unable to obtain sufficient audit evidence about the existence of physical inventories as at 28th February 2020 and 28th February 2019. Consequently, we were unable to determine whether any adjustments to the value of inventories were necessary.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 group's and the parent 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 director with respect to going concern are described in the relevant sections of this report.

Other information

The director is responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

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.

In connection with our audit of the financial statements, 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 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WELLBEING (UNITED KINGDOM) LIMITED

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 Group Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Director.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is 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 director determines 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 director is responsible for assessing the group's and the parent 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 director either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WELLBEING (UNITED KINGDOM) LIMITED

Auditors' 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 a Report of the Auditors 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 our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- reference to past history and experience of the Group and knowledge of the Sector,
- enquiry of management, including obtaining and reviewing supporting documentation concerning the Group's procedures relating to:
 - identifying and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detection and response to risk of fraud and whether they were aware of any actual or suspected instances of fraud.
- assessment of the controls and processes that the Group has in place to mitigate risk

Our assessments included the identification of the following potential areas for fraud:

- Management override of control;
- Physical inventory count not undertaken in comparative period.

We design audit procedures by tailored and directed testing to aid and support the level of determined level of risk. In response to the assessed risk we plan audit tests and procedures that target specific areas where misstatement may occur. These procedures and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

- We critically assessed the appropriateness and tested the application of the revenue and cost recognition policies
- We tested the appropriateness of accounting journals and other adjustments made in the preparation of the financial statements
- We reviewed the Group's accounting policies for non-compliance with relevant standards.
- We made enquiries of management and reviewed correspondence with the relevant authorities to identify any irregularities or instances of non-compliance with laws and regulations

In performing an audit in accordance with UK GAAP, we exercise professional judgement and maintain professional scepticism throughout the audit process.

All engagement team members were made aware of relevant identified laws and regulations and potential fraud risks and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion or override of internal controls. There are inherent limitations in the audit procedures performed.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Other matter

The corresponding figures shown in the financial statements are unaudited.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
WELLBEING (UNITED KINGDOM) LIMITED**

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 a Report of the Auditors 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.

Ashwani Rishiraj BA FCA (Senior Statutory Auditor)
for and on behalf of Luckmans Duckett Parker Limited
1110 Elliott Court
Coventry Business Park
Herald Avenue
Coventry
West Midlands
CV5 6UB

18 January 2022

**CONSOLIDATED
STATEMENT OF COMPREHENSIVE
INCOME
for the year ended 28 February 2021**

	Notes	2021 £	2020 £
TURNOVER		10,450,464	7,944,283
Cost of sales		<u>6,939,865</u>	<u>5,053,844</u>
GROSS PROFIT		3,510,599	2,890,439
Administrative expenses		<u>3,967,510</u> (456,911)	<u>2,821,625</u> 68,814
Other operating income		<u>788,478</u>	<u>221,835</u>
OPERATING PROFIT	4	331,567	290,649
Interest receivable and similar income		<u>12</u> 331,579	<u>33</u> 290,682
Interest payable and similar expenses	5	<u>245,348</u>	<u>251,674</u>
PROFIT BEFORE TAXATION		86,231	39,008
Tax on profit	6	<u>127,408</u>	<u>65,162</u>
LOSS FOR THE FINANCIAL YEAR		(41,177)	(26,154)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(41,177)</u>	-
Prior year adjustment			<u>(847,399)</u>
TOTAL COMPREHENSIVE INCOME SINCE LAST ANNUAL REPORT			<u>(873,553)</u>
Loss attributable to:			
Owners of the parent		(189,044)	(85,068)
Non-controlling interests		<u>147,867</u> (41,177)	<u>58,914</u> (26,154)
Total comprehensive income attributable to:			
Owners of the parent		(189,044)	(914,557)
Non-controlling interests		<u>147,867</u> (41,177)	<u>41,004</u> (873,553)

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
28 February 2021

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Intangible assets	8		3,204,826		2,960,738
Tangible assets	9		588,392		558,613
Investments	10		-		-
Investment property	11		<u>2,316,393</u>		<u>2,316,393</u>
			6,109,611		5,835,744
CURRENT ASSETS					
Stocks	12	698,202		843,972	
Debtors	13	2,132,942		1,096,107	
Cash at bank and in hand		<u>737,172</u>		<u>759,616</u>	
		3,568,316		2,699,695	
CREDITORS					
Amounts falling due within one year	14	<u>5,254,524</u>		<u>3,866,355</u>	
NET CURRENT LIABILITIES			<u>(1,686,208)</u>		<u>(1,166,660)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,423,403		4,669,084
CREDITORS					
Amounts falling due after more than one year	15		(4,143,272)		(4,282,866)
PROVISIONS FOR LIABILITIES	19		<u>(87,485)</u>		<u>(92,395)</u>
NET ASSETS			<u>192,646</u>		<u>293,823</u>
CAPITAL AND RESERVES					
Called up share capital	20		2		2
Retained earnings	21		<u>(23,962)</u>		<u>165,082</u>
SHAREHOLDERS' FUNDS			(23,960)		165,084
NON-CONTROLLING INTERESTS	22		<u>216,606</u>		<u>128,739</u>
TOTAL EQUITY			<u>192,646</u>		<u>293,823</u>

The financial statements were approved by the director and authorised for issue on 18 January 2022 and were signed by:

S Seow - Director

COMPANY BALANCE SHEET
28 February 2021

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Intangible assets	8		2,218,737		350,335
Tangible assets	9		457,722		362,519
Investments	10		1,260,230		2,670,690
Investment property	11		<u>2,316,393</u>		<u>2,316,393</u>
			6,253,082		5,699,937
CURRENT ASSETS					
Stocks	12	421,388		578,847	
Debtors	13	1,880,005		1,209,043	
Cash at bank and in hand		<u>104,266</u>		<u>304,431</u>	
		2,405,659		2,092,321	
CREDITORS					
Amounts falling due within one year	14	<u>4,333,022</u>		<u>3,050,308</u>	
NET CURRENT LIABILITIES			<u>(1,927,363)</u>		<u>(957,987)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,325,719		4,741,950
CREDITORS					
Amounts falling due after more than one year	15		(4,056,277)		(4,282,866)
PROVISIONS FOR LIABILITIES	19		<u>(69,942)</u>		<u>(68,742)</u>
NET ASSETS			<u>199,500</u>		<u>390,342</u>
CAPITAL AND RESERVES					
Called up share capital	20		2		2
Retained earnings	21		<u>199,498</u>		<u>390,340</u>
SHAREHOLDERS' FUNDS			<u>199,500</u>		<u>390,342</u>
Company's (loss)/profit for the financial year			<u>(190,842)</u>		<u>76,553</u>

The financial statements were approved by the director and authorised for issue on 18 January 2022 and were signed by:

S Seow - Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 28 February 2021

	Called up share capital £	Retained earnings £	Total £	Non-controlling interests £	Total equity £
Balance at 1 March 2019	2	1,097,549	1,097,551	87,735	1,185,286
Prior year adjustment	-	(847,399)	(847,399)	-	(847,399)
As restated	2	250,150	250,152	87,735	337,887
Changes in equity					
Total comprehensive income	-	(85,068)	(85,068)	41,004	(44,064)
Balance at 28 February 2020	2	165,082	165,084	128,739	293,823
Changes in equity					
Dividends	-	-	-	(60,000)	(60,000)
Total comprehensive income	-	(189,044)	(189,044)	147,867	(41,177)
Balance at 28 February 2021	2	(23,962)	(23,960)	216,606	192,646

The notes form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 28 February 2021

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 March 2019	2	1,161,186	1,161,188
Prior year adjustment	-	(847,399)	(847,399)
As restated	2	313,787	313,789
Changes in equity			
Total comprehensive income	-	76,553	76,553
Balance at 28 February 2020	2	390,340	390,342
Changes in equity			
Total comprehensive income	-	(190,842)	(190,842)
Balance at 28 February 2021	2	199,498	199,500

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 28 February 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	1,165,281	1,430,475
Interest paid		(245,348)	(251,674)
Tax paid		(204,295)	(99,440)
Net cash from operating activities		<u>715,638</u>	<u>1,079,361</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(743,653)	(449,041)
Purchase of tangible fixed assets		(90,470)	(51,475)
Sale of tangible fixed assets		-	700
Purchase of subsidiary companies		-	(1,938,868)
Cash acquired as part of acquisitions		-	13,478
Interest received		12	33
Net cash from investing activities		<u>(834,111)</u>	<u>(2,425,173)</u>
Cash flows from financing activities			
New loans in year		150,000	2,256,375
Loan repayments in year		(217,611)	(187,937)
Amount withdrawn by directors		223,640	-
Dividends paid to minority interests		(60,000)	-
Net cash from financing activities		<u>96,029</u>	<u>2,068,438</u>
(Decrease)/increase in cash and cash equivalents		<u>(22,444)</u>	<u>722,626</u>
Cash and cash equivalents at beginning of year	2	759,616	36,990
Cash and cash equivalents at end of year	2	<u>737,172</u>	<u>759,616</u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the year ended 28 February 2021

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2021	2020
	£	£
Profit before taxation	86,231	39,008
Depreciation charges	569,936	477,180
Profit on disposal of fixed assets	-	(700)
Finance costs	245,348	251,674
Finance income	(12)	(33)
	<u>901,503</u>	<u>767,129</u>
Decrease/(increase) in stocks	145,770	(342,187)
(Increase)/decrease in trade and other debtors	(1,017,537)	153,936
Increase in trade and other creditors	<u>1,135,545</u>	<u>851,597</u>
Cash generated from operations	<u><u>1,165,281</u></u>	<u><u>1,430,475</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 28 February 2021

	28.2.21	29.2.20
	£	£
Cash and cash equivalents	<u>737,172</u>	<u>759,616</u>

Year ended 28 February 2020

	28.2.20	1.3.19
	£	£
Cash and cash equivalents	759,616	45,138
Bank overdrafts	-	(8,148)
	<u><u>759,616</u></u>	<u><u>36,990</u></u>

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the year ended 28 February 2021

3. ANALYSIS OF CHANGES IN NET DEBT

	At 29.2.20 £	Cash flow £	Other non-cash changes £	At 28.2.21 £
Net cash				
Cash at bank and in hand	<u>759,616</u>	<u>(22,444)</u>		<u>737,172</u>
	<u>759,616</u>	<u>(22,444)</u>		<u>737,172</u>
Debt				
Finance leases	-	-	(9,680)	(9,680)
Debts falling due within 1 year	(217,612)	(73,978)	-	(291,590)
Debts falling due after 1 year	<u>(4,282,866)</u>	<u>141,589</u>	<u>-</u>	<u>(4,141,277)</u>
	<u>(4,500,478)</u>	<u>67,611</u>	<u>(9,680)</u>	<u>(4,442,547)</u>
Total	<u><u>(3,740,862)</u></u>	<u><u>45,167</u></u>	<u><u>(9,680)</u></u>	<u><u>(3,705,375)</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 28 February 2021

1. **STATUTORY INFORMATION**

Wellbeing (United Kingdom) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Basis of consolidation

All subsidiaries of the Group have been accounted for using the acquisition method set out in Section 9 paragraph 13 onwards of FRS 102.

The financial statements consolidate the results of the Company and all its subsidiaries for the year ended 28th February 2021 and shows the results of the Group for the year to 28th February 2021.

In all instances, the consolidation is adjusted for minority interests and intra-group transactions are eliminated.

Turnover

The policies adopted for the recognition of turnover are as follows:-

NHS Income

NHS income is recognised in line with statements FP34. Adjustments are made for any income earned but not yet received.

Over the counter (OTC) sales

OTC sales are recorded as per till records and are therefore recognised at point of sale.

Goodwill

Goodwill on consolidation has been accounted for in line with FRS 102 Section 19 procedures.

Goodwill on consolidation is being amortised over its estimated useful life of 10 years.

Goodwill in relation to the acquisition of a business in 2009 is being written off over its estimated economic life of 10 years.

Goodwill in relation to the acquisition of a business in 2011 is being written off over its estimated economic life of 10 years.

Goodwill in relation to the acquisition of a business in 2013 is being written off over its estimated economic life of 10 years.

Goodwill in relation to the acquisition of a business in 2020 is being written off over its estimated economic life of 10 years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- Equal instalments over period of lease
Improvements to property	- Equal instalments over period of lease
Plant and machinery	- 20% on cost and 10% on reducing balance
Fixtures and fittings	- 25% on reducing balance, 20% on cost and 10% on reducing balance
Motor vehicles	- 20% on cost and 15% on reducing balance
Computer equipment	- 20% on cost

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 28 February 2021

2. ACCOUNTING POLICIES - continued**Government grants**

Government grants received have been released to the profit and loss account during the period on a systematic basis over the period in which the Entity recognises the costs for which the grant is intended to compensate. This is in accordance with FRS 102 section 24.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

3. EMPLOYEES AND DIRECTORS

	2021 £	2020 £
Wages and salaries	1,587,340	1,019,285
Social security costs	120,879	68,500
Other pension costs	28,068	16,795
	<u>1,736,287</u>	<u>1,104,580</u>

The average number of employees during the year was as follows:

	2021	2020
Administrative and retail	<u>74</u>	<u>56</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 28 February 2021

3. EMPLOYEES AND DIRECTORS - continued

The average number of employees by undertakings that were proportionately consolidated during the year was 74 (2020 - 56) .

	2021	2020
	£	£
Director's remuneration	<u>-</u>	<u>-</u>

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2021	2020
	£	£
Other operating leases	217,549	200,957
Depreciation - owned assets	70,371	55,804
Profit on disposal of fixed assets	-	(700)
Goodwill amortisation	233,277	159,912
Goodwill on acquisition amortisation	266,288	261,464
Auditors' remuneration	<u>12,821</u>	<u>-</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Loan	245,348	251,099
Late payment interest	-	575
	<u>245,348</u>	<u>251,674</u>

6. TAXATION**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2021	2020
	£	£
Current tax:		
UK corporation tax	136,595	58,389
R&D Credit	(4,277)	-
Total current tax	<u>132,318</u>	<u>58,389</u>
Deferred tax	(4,910)	6,773
Tax on profit	<u>127,408</u>	<u>65,162</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 28 February 2021

6. TAXATION - continued**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2021 £	2020 £
Profit before tax	<u>86,231</u>	<u>39,008</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2020 - 19 %)	16,384	7,412
Effects of:		
Expenses not deductible for tax purposes	(18,295)	1,224
Depreciation in excess of capital allowances	115,921	54,255
Utilisation of tax losses	(9,740)	(10,496)
Deferred tax	(4,910)	10,758
Losses carried forward	32,325	2,009
R&D claim	<u>(4,277)</u>	<u>-</u>
Total tax charge	<u>127,408</u>	<u>65,162</u>

7. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

8. INTANGIBLE FIXED ASSETS**Group**

	Goodwill £	Intellectual property £	Goodwill on acquisition £	Totals £
COST				
At 29 February 2020	1,916,933	3	2,614,644	4,531,580
Additions	<u>695,419</u>	<u>2</u>	<u>48,232</u>	<u>743,653</u>
At 28 February 2021	<u>2,612,352</u>	<u>5</u>	<u>2,662,876</u>	<u>5,275,233</u>
AMORTISATION				
At 29 February 2020	1,238,394	-	332,448	1,570,842
Amortisation for year	<u>233,277</u>	<u>-</u>	<u>266,288</u>	<u>499,565</u>
At 28 February 2021	<u>1,471,671</u>	<u>-</u>	<u>598,736</u>	<u>2,070,407</u>
NET BOOK VALUE				
At 28 February 2021	<u>1,140,681</u>	<u>5</u>	<u>2,064,140</u>	<u>3,204,826</u>
At 28 February 2020	<u>678,539</u>	<u>3</u>	<u>2,282,196</u>	<u>2,960,738</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 28 February 2021

8. INTANGIBLE FIXED ASSETS - continued**Company**

	Goodwill £	Intellectual property £	Totals £
COST			
At 29 February 2020	1,564,236	-	1,564,236
Additions	624,995	2	624,997
Impairments	(1,254,325)	-	(1,254,325)
Reclassification/transfer	2,713,023	-	2,713,023
At 28 February 2021	<u>3,647,929</u>	<u>2</u>	<u>3,647,931</u>
AMORTISATION			
At 29 February 2020	1,213,901	-	1,213,901
Amortisation for year	238,181	-	238,181
Impairments	(977,138)	-	(977,138)
Reclassification/transfer	954,250	-	954,250
At 28 February 2021	<u>1,429,194</u>	<u>-</u>	<u>1,429,194</u>
NET BOOK VALUE			
At 28 February 2021	<u>2,218,735</u>	<u>2</u>	<u>2,218,737</u>
At 28 February 2020	<u>350,335</u>	<u>-</u>	<u>350,335</u>

9. TANGIBLE FIXED ASSETS**Group**

	Short leasehold £	Improvements to property £	Plant and machinery £
COST			
At 29 February 2020	10,790	98,126	595,001
Additions	1	-	1,650
At 28 February 2021	<u>10,791</u>	<u>98,126</u>	<u>596,651</u>
DEPRECIATION			
At 29 February 2020	-	12,689	257,963
Charge for year	830	7,042	33,408
At 28 February 2021	<u>830</u>	<u>19,731</u>	<u>291,371</u>
NET BOOK VALUE			
At 28 February 2021	<u>9,961</u>	<u>78,395</u>	<u>305,280</u>
At 28 February 2020	<u>10,790</u>	<u>85,437</u>	<u>337,038</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 28 February 2021

9. TANGIBLE FIXED ASSETS - continued**Group**

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 29 February 2020	386,285	58,102	5,877	1,154,181
Additions	10,452	48,620	39,427	100,150
At 28 February 2021	<u>396,737</u>	<u>106,722</u>	<u>45,304</u>	<u>1,254,331</u>
DEPRECIATION				
At 29 February 2020	302,005	21,447	1,464	595,568
Charge for year	13,488	12,088	3,515	70,371
At 28 February 2021	<u>315,493</u>	<u>33,535</u>	<u>4,979</u>	<u>665,939</u>
NET BOOK VALUE				
At 28 February 2021	<u>81,244</u>	<u>73,187</u>	<u>40,325</u>	<u>588,392</u>
At 28 February 2020	<u>84,280</u>	<u>36,655</u>	<u>4,413</u>	<u>558,613</u>

Company

	Short leasehold £	Improvements to property £	Plant and machinery £
COST			
At 29 February 2020	-	-	591,801
Additions	1	-	-
Reclassification/transfer	10,789	64,110	-
At 28 February 2021	<u>10,790</u>	<u>64,110</u>	<u>591,801</u>
DEPRECIATION			
At 29 February 2020	-	-	257,563
Charge for year	277	1,644	32,594
Reclassification/transfer	553	3,288	-
At 28 February 2021	<u>830</u>	<u>4,932</u>	<u>290,157</u>
NET BOOK VALUE			
At 28 February 2021	<u>9,960</u>	<u>59,178</u>	<u>301,644</u>
At 28 February 2020	<u>-</u>	<u>-</u>	<u>334,238</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 28 February 2021

9. TANGIBLE FIXED ASSETS - continued

Company

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 29 February 2020	7,095	42,670	-	641,566
Additions	4,737	26,175	28,387	59,300
Reclassification/transfer	118,907	-	4,112	197,918
At 28 February 2021	<u>130,739</u>	<u>68,845</u>	<u>32,499</u>	<u>898,784</u>
DEPRECIATION				
At 29 February 2020	1,410	20,074	-	279,047
Charge for year	1,828	7,315	457	44,115
Reclassification/transfer	111,888	-	2,171	117,900
At 28 February 2021	<u>115,126</u>	<u>27,389</u>	<u>2,628</u>	<u>441,062</u>
NET BOOK VALUE				
At 28 February 2021	<u>15,613</u>	<u>41,456</u>	<u>29,871</u>	<u>457,722</u>
At 28 February 2020	<u>5,685</u>	<u>22,596</u>	<u>-</u>	<u>362,519</u>

10. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 29 February 2020	2,670,690
Additions	48,238
Reclassification/transfer	(1,458,698)
At 28 February 2021	<u>1,260,230</u>
NET BOOK VALUE	
At 28 February 2021	<u>1,260,230</u>
At 28 February 2020	<u>2,670,690</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Alchemy Pharmaceuticals Limited

Registered office: 2 Parsons Lane, Littleport, Ely CB6 1JU

Nature of business: Retail pharmacy

Class of shares:	% holding
Ordinary	60.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 28 February 202110. **FIXED ASSET INVESTMENTS - continued****Triclover Limited**

Registered office: 1207 High Road, Romford RM6 4AL
Nature of business: Retail Pharmacy

Class of shares:	%
Ordinary	holding 70.00

Leal Healthcare Limited

Registered office: 8 Prior Deram Walk, Coventry CV4 8FT
Nature of business: Retail Pharmacy

Class of shares:	%
Ordinary	holding 60.00

Care & Cure Partnership Limited

Registered office: 8 Prior Deram Walk, Coventry CV4 8FT
Nature of business: Retail Pharmacy

Class of shares:	%
Ordinary	holding 60.00

Roots Chemist Limited

Registered office: 8 Prior Deram Walk, Coventry CV4 8FT
Nature of business: Retail Pharmacies

Class of shares:	%
Ordinary	holding 100.00

New Exmouth Limited

Registered office: 8 Prior Deram Walk, Coventry CV4 8FT
Nature of business: Retail Pharmacy

Class of shares:	%
Ordinary	holding 60.00

11. **INVESTMENT PROPERTY****Group**

Total
£

FAIR VALUE

At 29 February 2020
and 28 February 2021

2,316,393

NET BOOK VALUE

At 28 February 2021
At 28 February 2020

2,316,393

2,316,393

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 28 February 2021

11. INVESTMENT PROPERTY - continued**Company**

Total
£

FAIR VALUE

At 29 February 2020
and 28 February 2021

2,316,393

NET BOOK VALUE

At 28 February 2021
At 28 February 2020

2,316,393

2,316,393

The properties were valued at fair value by the Directors at 28th February 2021.

12. STOCKS

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Stocks	<u>698,202</u>	<u>843,972</u>	<u>421,388</u>	<u>578,847</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	1,794,366	744,187	1,127,696	385,586
Amounts owed by group undertakings	-	-	219,898	181,922
Other debtors	294,194	330,549	517,120	632,535
Tax	31,029	11,731	3,791	-
Prepayments	13,353	9,640	11,500	9,000
	<u>2,132,942</u>	<u>1,096,107</u>	<u>1,880,005</u>	<u>1,209,043</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank loans and overdrafts (see note 16)	291,590	217,612	276,590	217,625
Hire purchase contracts (see note 17)	7,685	-	-	-
Trade creditors	1,449,797	1,425,836	913,909	652,215
Amounts owed to group undertakings	-	-	100,362	71,501
Tax	130,169	182,848	47,336	159,946
Social security and other taxes	38,698	105,160	35,073	79,386
Other creditors	1,908,805	712,165	1,568,101	696,358
Directors' current accounts	1,389,417	1,165,777	1,373,901	1,165,777
Accrued expenses	38,363	56,957	17,750	7,500
	<u>5,254,524</u>	<u>3,866,355</u>	<u>4,333,022</u>	<u>3,050,308</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 28 February 2021

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank loans (see note 16)	4,141,277	4,282,866	4,056,277	4,282,866
Hire purchase contracts (see note 17)	1,995	-	-	-
	<u>4,143,272</u>	<u>4,282,866</u>	<u>4,056,277</u>	<u>4,282,866</u>

16. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	-	-	-	13
Bank loans	291,590	217,612	276,590	217,612
	<u>291,590</u>	<u>217,612</u>	<u>276,590</u>	<u>217,625</u>
Amounts falling due between one and two years:				
Bank loans	256,046	226,589	236,046	226,589
Amounts falling due between two and five years:				
Bank loans - 2-5 years	826,732	736,901	766,732	736,901
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more 5 yr by instal	<u>3,058,499</u>	<u>3,319,376</u>	<u>3,053,499</u>	<u>3,319,376</u>

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group	Hire purchase contracts	
	2021	2020
	£	£
Net obligations repayable:		
Within one year	7,685	-
Between one and five years	1,995	-
	<u>9,680</u>	<u>-</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 28 February 2021

17. LEASING AGREEMENTS - continued**Group**

	Non-cancellable	operating leases
	2021	2020
	£	£
Within one year	163,025	127,750
Between one and five years	485,305	449,083
In more than five years	<u>674,092</u>	<u>764,009</u>
	<u>1,322,422</u>	<u>1,340,842</u>

18. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank loans	<u>4,432,867</u>	<u>4,500,478</u>	<u>4,332,867</u>	<u>4,500,478</u>

The Bank holds a first legal charge over the freehold property at 13-15 Replingham Road, London, at Deram Walk, Coventry and 61a High St, Sharnbrook. An unlimited debenture has been given and there is a right of set off between Wellbeing (United Kingdom) Ltd, Triclover Ltd, Alchemy Pharmaceuticals Ltd and Roots Chemist Ltd.

19. PROVISIONS FOR LIABILITIES

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Deferred tax	<u>87,485</u>	<u>92,395</u>	<u>69,942</u>	<u>68,742</u>

Group

	Deferred tax
	£
Balance at 29 February 2020	92,395
Credit to Statement of Comprehensive Income during year	<u>(4,910)</u>
Balance at 28 February 2021	<u>87,485</u>

Company

	Deferred tax
	£
Balance at 29 February 2020	68,742
Hive up of subsidiary company	<u>1,200</u>
Balance at 28 February 2021	<u>69,942</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 28 February 2021

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £	2020 £
2	Ordinary	£1	<u>2</u>	<u>2</u>

21. RESERVES**Group**Retained
earnings
£

At 29 February 2020	165,082
Deficit for the year	<u>(189,044)</u>
At 28 February 2021	<u>(23,962)</u>

CompanyRetained
earnings
£

At 29 February 2020	390,340
Deficit for the year	<u>(190,842)</u>
At 28 February 2021	<u>199,498</u>

22. NON-CONTROLLING INTERESTS

Minority interests relate to a 40% interest in the capital and reserves of Alchemy Pharmaceutical Ltd, a 30% interest in the capital and reserves of Triclover Ltd, a 40% interest in the capital and reserves of Leal Healthcare Ltd, a 40% interest in the capital and reserves of Care & Cure Partnership Ltd and a 40% interest in the capital and reserves of New Exmouth Ltd.

During the year, the profit after tax attributable to minority interests was £147,867 (2020: £58,914).

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.