

**Barclay Enterprise Limited**

**Directors' report and financial statements**

**30 June 1993**

Registered number 334582



# Barclay Enterprise Limited

## Directors' report and financial statements

<i>Contents</i>	<i>Page</i>
Directors' report	1
Statement of directors' responsibilities	4
Auditors' report	5
Profit and loss account	6
Balance sheet	7
Statement of total recognised gains and losses	8
Historical cost profits and losses	8
Reconciliation of movements in shareholders' funds	8
Notes	9-14

# Barclay Enterprise Limited

## Directors' report

The directors present their report and the audited financial statements for the year ended 30 June 1993.

### Principal activity

The principal activity of the company during the year was the distribution of pharmaceutical, medical and related products.

### Review of the business

On 30 June 1993 the company's trade was transferred to Barclay Pharmaceuticals Limited, a fellow subsidiary of Lloyds Chemists plc.

### Results and dividends

The results for the year are set out on page 6.

The directors do not recommend the payment of a dividend (1992: £Nil).

### Fixed assets

Changes in fixed assets are shown in note 8 to the financial statements.

### Directors

The directors who served during the year were as follows:

AJ Lloyd  
PE Lloyd  
RJ Steele  
RG Turner  
SW Buckell  
DJ Lancaster (resigned 13 September 1993)  
MD Yorke  
DA Condliffe  
J Poole  
K Woodings (resigned 7 August 1992)  
CJ Maddox

None of the directors had any interest in the share capital of the company at 30 June 1993.

Messrs AJ Lloyd, PE Lloyd, RJ Steele, RG Turner and SW Buckell were directors of Lloyds Chemists plc, the ultimate holding company at the year end and their interests are disclosed in the financial statements of that company.

# Barclay Enterprise Limited

## Directors' report *(continued)*

### Directors *(continued)*

The interests of the other directors in Lloyds Chemists plc were:

	SAYE Share Option Scheme Ordinary shares of 5p each		Executive Share Option Scheme Ordinary shares of 5p each		Ordinary shares of 5p each	
	1993	1992	1993	1992	1993	1992
DJ Lancaster	-	-	20,000	-	-	-
MD Yorke	-	-	5,000	-	88	-
DA Condliffe	10,182	7,560	5,000	-	8,450	-
J Poole	10,182	7,560	5,000	-	3,000	-
CJ Maddox	2,036	-	9,160	4,160	503	-

On 21 October 1992 Messrs DJ Lancaster, MD Yorke, DA Condliffe, J Poole and CJ Maddox were granted Executive Share Options in respect of 20,000, 5,000, 5,000, 5,000 and 5,000 ordinary shares respectively. On 8 December 1992, Messrs DA Condliffe, J Poole and CJ Maddox were granted SAYE options in respect of 10,182, 10,182 and 2,036 ordinary shares. During the year Messrs DA Condliffe and J Poole each cancelled SAYE contracts in respect of 7,560 ordinary shares.

### Employees

The company has developed and maintained arrangements whereby employees are consulted and provided with information about current activities and progress within the Lloyds Chemists Group and with training to improve the operational efficiency of the company.

The company supports the employment of disabled people wherever possible, through recruitment, by retention of those who become disabled during their employment and generally through training, career development and promotion, having regard to their particular aptitudes and abilities.

# Barclay Enterprise Limited

## Directors' report *(continued)*

### Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Peat Marwick as auditors of the company is to be proposed at the forthcoming annual general meeting.

By order of the board



SW Buckell  
*Secretary*

Linley Road Trading Estate  
Linley Road  
Talke  
STOKE ON TRENT  
ST7 1XZ

7 October 1993

# Barclay Enterprise Limited

## Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its result for the period. Unless the directors consider it inappropriate the financial statements should be prepared on a going concern basis.

The directors are responsible for the maintenance of adequate accounting records, the safeguarding of the company's assets and the prevention and detection of fraud and other irregularities.

In the opinion of the directors the accounting policies adopted in the preparation of the financial statements are appropriate to the company, have been consistently applied and are supported by reasonable and prudent judgements and estimates. All applicable accounting standards have been followed in the preparation of the financial statements.

Peat House  
2 Cornwall Street  
Birmingham  
B3 2DL

## Report of the auditors to the members of Barclay Enterprise Limited

We have audited the financial statements on pages 6 to 14.

### *Respective responsibilities of directors and auditors*

As described on page 4 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### *Basis of opinion*

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### *Opinion*

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 1993 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Peat Marwick*

KPMG Peat Marwick  
Chartered Accountants  
Registered Auditors

7 October 1993

# Barclay Enterprise Limited

## Profit and loss account for the year ended 30 June 1993

	<i>Note</i>	1993 £	1992 £
Turnover	1	107,130,685	53,332,822
Cost of sales		<u>(96,964,586)</u>	<u>(47,373,567)</u>
Gross profit		10,166,099	5,959,255
Distribution costs		(7,834,177)	(4,445,124)
Administrative expenses		<u>(303,453)</u>	<u>(329,736)</u>
Operating profit		2,028,469	1,184,395
Loss on transfer of business	3	<u>(3,043,831)</u>	<u>-</u>
(Loss)/profit on ordinary activities before interest		(1,015,362)	1,184,395
Interest payable	4	<u>(349,229)</u>	<u>(164,431)</u>
(Loss)/profit on ordinary activities before taxation	5	(1,364,591)	1,019,964
Tax on (loss)/profit on ordinary activities	7	<u>325,979</u>	<u>(301,722)</u>
(Loss)/profit on ordinary activities after taxation and (loss)/retained profit for the financial year	15	<u>(1,038,612)</u>	<u>718,242</u>

A statement of movements on reserves is given in note 15 to the financial statements.



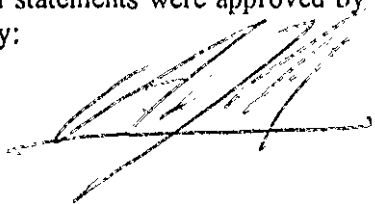
# Barclay Enterprise Limited

Balance sheet  
at 30 June 1993

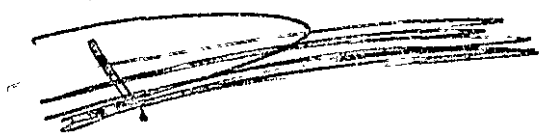
	Note	£	1993 £	1992 £
<b>Fixed assets</b>				
Tangible assets	8	-	-	1,367,623
<b>Current assets</b>				
Stocks	9	-	3,068,326	
Debtors	10	5,004,052	13,514,319	
Cash at bank and in hand		-	576,233	
		5,004,052	17,158,878	
Creditors: amounts falling due within one year	11	-	(13,750,518)	
<b>Net current assets</b>			5,004,052	3,408,360
<b>Total assets less current liabilities</b>			5,004,052	4,775,983
Creditors: amounts falling due after more than one year	12	-	-	(16,063)
Provisions for liabilities and charges	13	-	-	(40,585)
			5,004,052	4,719,335
<b>Capital and reserves</b>				
Called up share capital	14	5,000,000	5,000,000	
Capital reserve	15	4,052	4,052	
Goodwill write off reserve	15	-	-	(1,380,865)
Profit and loss account	15	-	-	1,096,148
			5,004,052	4,719,335

These financial statements were approved by the board of directors on 7 October 1993 and were signed on its behalf by:

AJ Lloyd  
Director



RJ Steele  
Director



# Barclay Enterprise Limited

## Statement of total recognised gains and losses for the year ended 30 June 1993

During the year ended 30 June 1993 there were no recognised gains or losses other than the loss for the financial period of £1,038,612 (year ended 30 June 1992: profit of £718,242).

## Historical cost profits and losses for the year ended 30 June 1993

There is no difference between the historical cost (loss)/profit on ordinary activities before taxation and that reported in the profit and loss account for the years ended 30 June 1993 and 30 June 1992.

## Reconciliation of movements in shareholders' funds for the year ended 30 June 1993

	1993 £	1992 £
(Loss)/profit for the year after taxation	(1,038,612)	718,242
Share capital issued	-	4,995,600
Goodwill written off	-	(1,438,401)
Goodwill reinstated on transfer of business	1,323,329	-
	<hr/>	<hr/>
Net movement in shareholders' funds	284,717	4,274,841
Shareholders' funds at 1 July 1992	4,719,335	444,494
	<hr/>	<hr/>
Shareholders' funds at 30 June 1993	5,004,052	4,719,335
	<hr/>	<hr/>

# Barclay Enterprise Limited

## Notes

(forming part of the financial statements)

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements:

#### *Basis of preparation*

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

The company is a wholly owned subsidiary of Lloyds Chemists plc which is established under the law of a member state of the European Community. Lloyds Chemists plc publishes consolidated financial statements including a consolidated cash flow statement which includes the results of Barclay Enterprise Limited, and consequently, in accordance with Financial Reporting Standard Number 1, no cash flow statement is included in these financial statements.

#### *Turnover*

Turnover represents goods invoiced excluding value added tax.

#### *Depreciation and amortisation*

Depreciation is calculated so as to write off the cost of tangible fixed assets over their estimated useful lives. The principal rates used are as follows:

Short leasehold property	period of the lease
Motor vehicles	25% on a reducing balance
Fixtures, fittings and equipment	10-20% on a straight line basis

#### *Leased assets*

Assets used by the company which have been funded through finance leases are recorded as tangible fixed assets and depreciated over their estimated useful lives. Future lease obligations, net of finance charges, are included in creditors. Rentals payable are apportioned between the finance element which is charged to the profit and loss account and the capital element which reduces outstanding lease obligations.

All other leases are operating leases and the rental charges are taken to the profit and loss account over the life of the lease.

#### *Stocks*

Stocks are valued at the lower of cost and net realisable value.

#### *Deferred taxation*

Deferred taxation is provided using the liability method in respect of the taxation effect of all timing differences to the extent that it is probable that liabilities will crystallise in the foreseeable future.

#### *Goodwill*

Goodwill relating to the acquisition of businesses is written off immediately against reserves.

# Barclay Enterprise Limited

## Notes (continued)

### 1 Accounting policies (continued)

#### Pensions

The company is part of the defined contribution scheme operated by the Lloyds Chemists Group. The assets of the scheme are held separately for those of the group in an independently administered fund. The pension cost charge represents contributions payable by the company to the scheme.

### 2 Staff numbers and costs

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

	1993 Number	1992 Number
Administration	65	42
Distribution	420	192
	<u>485</u>	<u>234</u>

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and salaries	5,365,630	2,548,332
Social security costs	516,127	254,331
Other pension costs	1,750	-
	<u>5,875,757</u>	<u>2,802,663</u>

### 3 Loss on transfer of business

On 30 June 1993, the activities of the company were integrated with those of the other companies within the distribution division of Lloyds Chemists plc. A loss before taxation of £3,043,831 arose on the transfer of the company's assets and liabilities.

### 4 Interest payable

	1993 £	1992 £
On bank overdrafts	325,000	164,000
On hire purchase contracts	24,229	431
	<u>349,229</u>	<u>164,431</u>

# Barclay Enterprise Limited

## Notes (continued)

### 5 (Loss)/profit on ordinary activities before taxation

The (loss)/profit on ordinary activities before taxation is stated after charging the following:

	1993 £	1992 £
Directors' emoluments:		
Executive remuneration	448,922	452,869
Compensation for loss of office	25,000	-
Depreciation of fixed assets held under hire purchase agreements	111,712	1,720
Depreciation of owned tangible fixed assets	334,263	209,783
Payments under operating leases:		
Land and buildings	306,470	272,985
Plant and machinery	109,343	-
Auditors' remuneration	14,000	12,000

### 6 Directors' emoluments

Excluding pension contributions, the emoluments of the chairman were £Nil (1992: £Nil) and those of the highest paid director were £102,910 (1992: £102,680). The emoluments of the directors were within the following ranges:

	Number	Number
£0 - £5,000	6	6
£30,001 - £35,000	1	1
£100,001 - £105,000	4	4

### 7 Tax on (loss)/profit on ordinary activities

	1993 £	1992 £
Taxation based on the (loss)/profit for the financial year:		
Corporation tax at 33%	(426,477)	261,137
Deferred taxation	100,498	40,585
	<u>(325,979)</u>	<u>301,722</u>

# Barclay Enterprise Limited

## Notes (continued)

### 8 Tangible fixed assets

	Short leasehold properties £	Motor vehicles £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>				
At 1 July 1992	258,179	555,742	765,205	1,579,126
Additions	269,464	618,574	847,206	1,735,244
Intra-group transfers	(527,643)	(1,149,296)	(1,612,411)	(3,289,350)
Disposals	-	(25,020)	-	(25,020)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 1993	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At 1 July 1992	5,527	122,464	83,512	211,503
Charge for the year	26,369	209,232	210,374	445,975
Intra-group transfers	(31,896)	(325,102)	(293,886)	(650,884)
Disposals	-	(6,594)	-	(6,594)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 1993	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
At 30 June 1993	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 1992	252,652	433,278	681,693	1,367,623
	<hr/>	<hr/>	<hr/>	<hr/>

### 9 Stocks

	1993 £	1992 £
Goods for resale	-	3,068,326
	<hr/>	<hr/>

### 10 Debtors

	1993 £	1992 £
Trade debtors	-	7,895,620
Amounts owed by group undertakings	5,004,052	4,872,563
Other debtors	-	746,136
	<hr/>	<hr/>
	5,004,052	13,514,319
	<hr/>	<hr/>

# Barclay Enterprise Limited

## Notes (continued)

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

	1993 £	1992 £
Obligations under hire purchase contracts	-	9,145
Trade creditors	-	522,582
Corporation tax	-	261,137
Amounts owed to group undertakings	-	12,268,716
Other creditors including taxation and social security	-	688,938
	<u>-</u>	<u>13,750,518</u>

### 12 Creditors: amounts falling due after more than one year

	1993 £	1992 £
Obligations under hire purchase contracts	<u>-</u>	<u>16,063</u>

### 13 Provisions for liabilities and charges

	Deferred taxation £
At 1 July 1992	40,585
Transfer from profit and loss account	100,498
Intra-group transfers	<u>(141,083)</u>
At 30 June 1993	<u>-</u>

The amount provided for deferred taxation which represents a full provision calculated under the liability method at 33%, is set out below:

	1993 £	1992 £
Accelerated capital allowances	<u>-</u>	<u>40,585</u>

### 14 Called up share capital

	1993 £	1992 £
<i>Authorised, allotted, called up and fully paid:</i>		
Ordinary shares of £1 each	<u>5,000,000</u>	<u>5,000,000</u>

# Barclay Enterprise Limited

## Notes (continued)

### 15 Reserves

	Capital reserve £	Goodwill write off reserve £	Profit and loss account £
At 1 July 1992	4,052	(1,380,865)	1,096,148
Transfer to profit and loss account	-	57,536	(57,536)
Goodwill reinstated on transfer of business	-	1,323,329	-
Loss for the year	-	-	(1,038,612)
	<hr/>	<hr/>	<hr/>
At 30 June 1993	4,052	-	-
	<hr/>	<hr/>	<hr/>

### 16 Commitments under operating leases

The annual commitments under non-cancellable operating leases are:

	Land and buildings £
Commitments which expire:	
Between one and five years	698,000
	<hr/>

Following the transfer of the company's activities, operating lease commitments will be borne by other members of the Lloyds Chemists Group as they fall due.

### 17 Capital commitments

Capital expenditure sanctioned by the board and outstanding at 30 June 1993 amounted to £Nil (1992: £500,000).

Contracts placed against these sanctions so far as not provided for in these financial statements amounted to £Nil (1992: £100,000).

### 18 Contingent liabilities

The company guarantees the borrowings of other group companies which at 30 June 1993 amounted to £45,000,000 (1992: £40,000,000).

### 19 Ultimate holding company

The ultimate holding company is Lloyds Chemists plc, which is registered in England and Wales.

The results of the company are included within the group financial statements of Lloyds Chemists plc but are not included within any other group financial statements.

Copies of the group financial statements may be obtained from Britannia House, Centurion Park, Tamworth, Staffordshire, B77 5TZ.