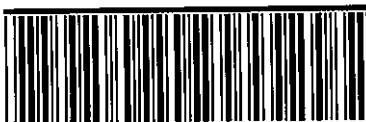


Barclay Enterprise Limited

Directors' report and financial statements

30 June 1994

Registered number 334582



Barclay Enterprise Limited

Directors' report and financial statements

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Barclay Enterprise Limited

Directors' report

The directors present their report and the audited financial statements for the year ended 30 June 1994.

Principal activity

The company has not traded during the year.

Results and dividends

The results for the year are set out on page 5.

The directors do not recommend the payment of a dividend (1993: £Nil).

Directors

The directors who served during the year were as follows:

AJ Lloyd
PE Lloyd
RG Turner
SW Buckell
MD Yorke
DA Condliffe
J Poole
CJ Maddox (resigned 19 May 1994)
RJ Steele (resigned 15 April 1994)
DJ Lancaster (resigned 13 September 1993)

MA Ward was appointed a director on 18 July 1994.

None of the directors had any interest in the share capital of the company at 30 June 1994.

AJ Lloyd, PE Lloyd, 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 serving at the year end in Lloyds Chemists plc were:

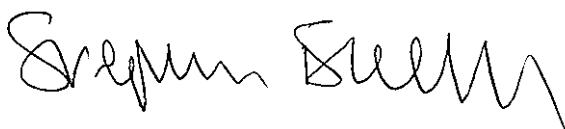
	SAYE Share Option Scheme Ordinary shares of 5p each		Executive Share Option Scheme Ordinary shares of 5p each		Ordinary shares of 5p each	
	1994	1993	1994	1993	1994	1993
MD Yorke	-	-	10,000	5,000	-	88
DA Condliffe	10,182	10,182	10,000	5,000	50	8,450
J Poole	10,182	10,182	10,000	5,000	-	3,000

On 14 October 1993 MD Yorke, DA Condliffe and J Poole were each granted options in respect of 5,000 ordinary shares.

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

12 October 1994

Barclay Enterprise Limited

Statement of directors' responsibilities

The following statement, which should be read in conjunction with the report of the auditors set out on page 4, describes the responsibilities of the directors in relation to these financial statements.

The directors are required by the Companies Act 1985 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 year and of the profit or loss for the year.

The directors consider that in preparing the financial statements set out on pages 5 to 11, the Company has used appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates. All applicable accounting standards have been followed and the financial statements have been prepared on a going concern basis.

The directors are responsible for ensuring that the Company maintains adequate accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors 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.

Report of the auditors to the members of Barclay Enterprise Limited

We have audited the financial statements on pages 5 to 11.

Respective responsibilities of directors and auditors

As described on page 3 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 1994 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



12 October 1994

*Chartered Accountants
Registered Auditors*

Barclay Enterprise Limited

Profit and loss account for the year ended 30 June 1994

	Note	1994 £	1993 £
Turnover	1	-	107,130,685
Cost of sales		-	(96,964,586)
		<hr/>	<hr/>
Gross profit		-	10,166,099
Distribution costs		-	(7,834,177)
Administrative expenses		-	(303,453)
		<hr/>	<hr/>
Operating profit		-	2,028,469
Loss on transfer of business	3	-	(3,043,831)
		<hr/>	<hr/>
Loss on ordinary activities before interest		-	(1,015,362)
Interest payable	4	-	(349,229)
		<hr/>	<hr/>
Loss on ordinary activities before taxation	5	-	(1,364,591)
Tax on loss on ordinary activities	7	-	325,979
		<hr/>	<hr/>
Loss on ordinary activities after taxation and loss for the financial year		-	(1,038,612)
		<hr/>	<hr/>

Barclay Enterprise Limited

Balance sheet at 30 June 1994

	Note	1994 £	1993 £
Current assets			
Debtors	8	<u>5,004,052</u>	<u>5,004,052</u>
Capital and reserves			
Called up share capital	9	5,000,000	5,000,000
Capital reserve	10	<u>4,052</u>	<u>4,052</u>
Total equity shareholders' funds		<u><u>5,004,052</u></u>	<u><u>5,004,052</u></u>

These financial statements were approved by the board of directors on 12 October 1994 and were signed on its behalf by:

AJ Lloyd
Director



MA Ward
Director



Barclay Enterprise Limited

Statement of total recognised gains and losses for the year ended 30 June 1994

During the year ended 30 June 1994 there were no recognised gains or losses (1993: loss of £1,038,612).

Historical cost profits and losses for the year ended 30 June 1994

There is no difference between the historical cost loss on ordinary activities before taxation and that reported in the profit and loss account for the years ended 30 June 1994 and 30 June 1993.

Reconciliation of movements in shareholders' funds for the year ended 30 June 1994

	1994 £	1993 £
Loss for the year after taxation	-	(1,038,612)
Goodwill reinstated on transfer of business	-	1,323,329
	<hr/>	<hr/>
Net movement in shareholders' funds	-	284,717
Shareholders' funds at 1 July 1993	5,004,052	4,719,335
	<hr/>	<hr/>
Shareholders' funds at 30 June 1994	5,004,052	5,004,052
	<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.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

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:

	1994 Number	1993 Number
Administration	-	65
Distribution	-	420
	<hr/>	<hr/>
	-	485
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and salaries	-	5,365,630
Social security costs	-	510,127
Other pension costs	-	1,750
	<hr/>	<hr/>
	-	5,875,757
	<hr/>	<hr/>

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

	1994 £	1993 £
On bank overdrafts	-	325,000
On hire purchase contracts	-	24,229
	<hr/>	<hr/>
	-	349,229
	<hr/>	<hr/>

Barclay Enterprise Limited

Notes (continued)

5 Loss on ordinary activities before taxation

The loss on ordinary activities before taxation is stated after charging the following:

	1994	1993
	£	£
Directors' emoluments:		
Executive remuneration	-	448,922
Compensation for loss of office	-	25,000
Depreciation of fixed assets held under hire purchase agreements	-	111,712
Depreciation of owned tangible fixed assets	-	334,263
Payments under operating leases:		
Land and buildings	-	306,470
Plant and machinery	-	109,343
Auditors' remuneration	-	14,000
	<hr/>	<hr/>

6 Directors' emoluments

Excluding pension contributions, the emoluments of the chairman were £Nil (1993: £Nil) and those of the highest paid director were £Nil (1993: £102,910). The emoluments of the directors were within the following ranges:

	Number	Number
£0 - £5,000	10	6
£30,001 - £35,000	-	1
£100,001 - £105,000	-	4
	<hr/>	<hr/>

7 Tax on loss on ordinary activities

	1994	1993
	£	£
Taxation based on the loss for the financial year:		
Corporation tax at 33%	-	(426,477)
Deferred taxation	-	100,498
	<hr/>	<hr/>
	-	(325,979)
	<hr/>	<hr/>

Barclay Enterprise Limited

Notes (continued)

8 Debtors

	1994 £	1993 £
Amounts owed by fellow subsidiary undertakings	<u>5,004,052</u>	<u>5,004,052</u>

9 Called up share capital

	1994 £	1993 £
<i>Authorised, allotted, called up and fully paid:</i>		
Ordinary shares of £1 each	<u>5,000,000</u>	<u>5,000,000</u>

10 Reserves

	Capital reserve £
At 1 July 1993 and 30 June 1994	<u>4,052</u>

11 Contingent liabilities

The company guarantees the borrowings of other group companies which at 30 June 1994 amounted to £Nil (1993: £45,000,000).

12 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.