

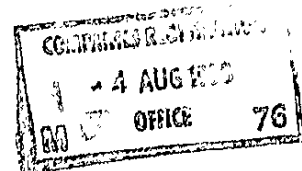
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WILLINGTON MEDICALS LIMITED

STATEMENT OF ACCOUNTS

3RD OCTOBER 1987

Peat Marwick McLintock



PEAT MARWICK McLINTOCK
Chartered Accountants

Churchill House, Regent Road, Stoke-on-Trent, ST1 3RG

WILLINGTON MEDICALS LIMITED
REPORT OF THE DIRECTORS

The directors present their report and the audited accounts for the period ended 3rd October 1987.

Principal activities

The company continued to trade as suppliers of veterinary medicines and equipment.

Results

The results for the period are shown on page 4.

Proposed dividend

The directors recommend the payment of a dividend of £250,000.

Fixed assets

The changes in fixed assets during the period are summarised in note 9 on page 10 of the accounts.

Directors and their interests

The directors who served during the period are listed below. None of the directors had any interest in the shares of the company. The interest of the directors in the share capital of Macarthy plc are as follows:-

	<u>Ordinary shares of 20p each</u>	
	<u>At 3rd October 1987</u>	<u>At 30th September 1986</u>
		<u>or date of appointment</u>
C.J.N. Ward	500	500
P. Ashton	Nil	Nil
K. Beevers	Nil	Nil
C.B. Thompson (appointed 1st May 1987)	Nil	Nil
M.A.W. Baggott (appointed 24th June 1987)	Nil	Nil

In addition the following also acted as directors during the period:-

C.W. Warrilow (resigned 24th June 1987)
J. Fine (resigned 1st September 1987)

WILLINGTON MEDICALS LIMITEDREPORT OF THE DIRECTORS (CONTINUED)Auditors

At the company's last annual general meeting, Peat, Marwick, Mitchell & Co. were appointed as sole auditors of the company. They are now practising under the name of Peat Marwick McLintock and accordingly they have signed the audit report in their new name. A resolution concerning their reappointment will be proposed at the forthcoming annual general meeting.

FOR AND ON BEHALF OF THE BOARD



Secretary

18/7/1988

WILLINGTON MEDICALS LIMITEDREPORT OF THE AUDITORS TO THE MEMBERS OFWILLINGTON MEDICALS LIMITED

We have audited the accounts on pages 4 to 13 in accordance with approved Auditing Standards.

In our opinion the accounts, which have been prepared on the basis of the accounting policies set out on page 7, give a true and fair view of the state of the company's affairs at 3rd October 1987 and of the profit and source and application of funds for the period to that date and comply with the Companies Act 1985.

Churchill House,
Regent Road,
Stoke-on-Trent.
24 July 1988

Peter Marink McIntosh

Chartered Accountants

WILLINGTON MEDICALS LIMITEDPROFIT AND LOSS ACCOUNTFOR THE PERIOD ENDED 3RD OCTOBER 1987

			<u>17 months to</u> <u>30th September</u> <u>1986</u>
	<u>Notes</u>	£	£
TURNOVER		27,262,549	33,272,280
Cost of sales		(25,035,159)	(30,445,673)
GROSS PROFIT		2,227,390	2,826,607
Distribution costs		(1,281,080)	(1,539,202)
Administrative expenses		(489,470)	(665,139)
OPERATING PROFIT		456,840	622,266
Interest receivable	3	<u>21,468</u>	<u>14,261</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	478,308	636,527
Taxation on profit on ordinary activities	7	<u>(156,844)</u>	<u>(249,985)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		321,464	386,542
Extraordinary item	8	<u>(14,798)</u>	<u>(31,800)</u>
PROFIT FOR THE FINANCIAL PERIOD		306,666	354,742
Proposed dividend		<u>(250,000)</u>	<u>(319,000)</u>
RETAINED PROFIT FOR THE FINANCIAL PERIOD		56,666	35,742
Retained profit brought forward		1,397,137	1,361,395
RETAINED PROFIT CARRIED FORWARD		<u>1,453,803</u>	<u>1,397,137</u>

The attached notes form part of these accounts.

WILLINGTON MEDICALS LIMITED
BALANCE SHEET AT 3RD OCTOBER 1987

	<u>Notes</u>	£	£	£	<u>1986</u>	£
<u>FIXED ASSETS</u>						
Tangible assets	9		438,573			364,228
<u>CURRENT ASSETS</u>						
Stocks	10	3,569,650		3,285,574		
Debtors	11	3,685,759		3,074,611		
Cash at bank and in hand		<u>539,286</u>		<u>3,916</u>		
		7,794,695		6,364,101		
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>						
	12	(6,717,439)		(5,257,601)		
<u>NET CURRENT ASSETS</u>			<u>1,077,256</u>			<u>1,106,500</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			1,515,829			1,470,728
<u>PROVISIONS FOR LIABILITIES AND CHARGES</u>	13		<u>(53,026)</u>			<u>(64,591)</u>
<u>NET ASSETS</u>			<u>1,462,803</u>			<u>1,406,137</u>
<u>CAPITAL AND RESERVES</u>						
Called up share capital	14		9,000			9,000
Profit and loss account			1,453,803			1,397,137
<p>The accounts were approved by the Board of Directors on 28. JUL 1988</p> <p><i>[Signature]</i>) Directors</p>						
			<u>1,462,803</u>			<u>1,406,137</u>

The attached notes form part of these accounts.

WILLINGTON MEDICAL LIMITED
STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE PERIOD ENDED 3RD OCTOBER 1987

	£	£	17 months to 30th September 1986	£	£
<u>SOURCE OF FUNDS</u>					
Profit before taxation		478,308			636,527
Adjustment for item not involving the movement of funds:-					
Depreciation (after adjusting for disposals)		<u>84,141</u>			<u>126,418</u>
<u>TOTAL GENERATED FROM OPERATIONS</u>		562,449			762,945
 <u>FUNDS FROM OTHER SOURCES</u>					
Sale of fixed assets		<u>103,477</u>			<u>60,416</u>
		665,926			823,361
 <u>APPLICATION OF FUNDS</u>					
Purchase of fixed assets	(261,963)		(184,893)		
Tax paid	(122,322)		(105,464)		
Dividends paid	(319,000)		(90,000)		
Reorganisation costs	<u>(26,380)</u>		<u>(16,209)</u>		
		(729,665)			(396,566)
 <u>(DECREASE)/INCREASE IN WORKING CAPITAL</u>		<u>(63,739)</u>			<u>426,795</u>
 <u>COMPONENTS OF (DECREASE)/INCREASE IN WORKING CAPITAL</u>					
Stocks		284,076			1,081,814
Debtors		611,148			839,782
Creditors		<u>(1,696,266)</u>			<u>(1,495,463)</u>
		(801,042)			426,133
 <u>Movement in net liquid funds</u>					
Cash at bank and in hand	535,370		1,189		
Bank loans and overdrafts	<u>101,933</u>		<u>(527)</u>		
		<u>737,303</u>			<u>662</u>
		<u>(63,739)</u>			<u>426,795</u>

WILLINGTON MEDICALS LIMITEDNOTES TO THE ACCOUNTS1. Accounting policies(a) Basis of accounts

The accounts have been prepared under the historical cost convention.

(b) Depreciation

Tangible assets are depreciated on a straight line basis at annual rates estimated to write them off over their estimated useful lives. The rates used are as follows:-

Freehold buildings	- 2% per annum
Long leasehold land & buildings	- over period of the lease
Motor vehicles	- 25% and 33 1/3% per annum
Furniture and equipment	- 10% to 20% per annum

(c) Stocks

Valuation of stock is at the lower of cost and net realisable value.

(d) Deferred taxation

Deferred taxation is provided only to the extent that a liability is expected to become payable within the foreseeable future.

(e) Leased assets

The annual rentals on operating leases are charged to the profit and loss account as incurred.

2. Turnover

Turnover represents amounts invoiced in respect of goods sold during the period, excluding value added tax.

WILLINGTON MEDICALS LIMITEDNOTES TO THE ACCOUNTS (CONTINUED)

		<u>17 months to 30th September 1986</u>
	<u>1987</u>	<u>1986</u>
	£	£
3. <u>Interest receivable</u>		
Receivable on bank balance	21,468	42,261
Payable on amount owed to holding company	-	(28,000)
	<u>21,468</u>	<u>14,261</u>
4. <u>Profit on ordinary activities before taxation</u>	£	£
The profit on ordinary activities before taxation is stated after charging the following:-		
Depreciation	132,272	126,418
Directors' emoluments (see note 6)	68,746	141,386
Auditors' remuneration and expenses	12,000	18,172
Rentals payable under operating leases:-		
- Hire of equipment	2,393	1,153
- Other operating leases	<u>74,530</u>	<u>84,626</u>
5. <u>Staff numbers and costs</u>	<u>1987</u>	<u>1986</u>
	<u>Number</u>	<u>Number</u>
The average number of persons employed by the company (including directors) during the period was as follows:	<u>152</u>	<u>136</u>
The aggregate payroll costs of these persons were as follows:	£	£
Wages and salaries	818,088	1,041,543
Social security costs	60,600	80,907
Other pension costs	-	19,831
	<u>878,688</u>	<u>1,142,281</u>

WILLINGTON MEDICALS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)

6. <u>Directors' emoluments</u>	<u>1987</u> £	<u>17 months to 30th September 1986</u> £
Fees as directors	66,125	133,477
Other emoluments (including pension contributions)	<u>2,621</u>	<u>7,909</u>
	<u>68,746</u>	<u>141,386</u>
 Emoluments (excluding pension contributions) of:	 £	 £
Chairman	nil	nil
Highest paid director	<u>19,250</u>	<u>43,792</u>
 Other directors received emoluments (excluding pension contributions) in the following ranges:	 <u>1987 Number</u>	 <u>1986 Number</u>
£nil - £ 5,000	3	3
£15,001 - £20,000	3	-
£20,001 - £25,000	-	-
£25,001 - £30,000	-	2
£30,001 - £35,000	-	1
	<u> </u>	<u> </u>
 7. <u>Tax on profit on ordinary activities</u>	 £	 £
Corporation tax on profits for the period at 35% (1986 - 38.23%)	166,032	265,600
Under/(over) provision in prior year	29	(115)
Transfer from deferred taxation account	<u>(9,217)</u>	<u>(15,500)</u>
	<u>156,844</u>	<u>249,985</u>

WILLINGTON MEDICALS LIMITEDNOTES TO THE ACCOUNTS (CONTINUED)

8. <u>Extraordinary item</u>	<u>1987</u>		<u>17 months to 30th</u>	
	£	£	£	£
Extraordinary loss before taxation		24,777		42,800
Taxation relief				
- corporation tax	(9,234)		(3,000)	
- deferred tax	<u>(745)</u>		<u>(8,000)</u>	
		<u>(9,979)</u>		<u>(11,000)</u>
		<u>14,798</u>		<u>31,800</u>

9. <u>Tangible assets</u>	<u>Land and buildings</u>					<u>Furniture and equipment</u>	<u>Motor vehicles</u>	<u>Total</u>
	<u>Freehold</u>	<u>Long</u>	<u>Short</u>					
		<u>leasehold</u>	<u>leasehold</u>					
<u>Cost</u>	<u>£</u>	<u>property</u>	<u>property</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
At 1st October 1986	65,424	32,915	14,116	182,833	280,566	575,854		
Additions	-	-	-	57,645	176,253	233,898		
Inter group transfers	-	-	-	-	47,788	47,788		
Disposals	(20,388)	-	-	-	(129,820)	(150,208)		
At 3rd October 1987	45,036	32,915	14,116	240,478	374,787	707,332		
<u>Depreciation</u>								
At 1st October 1986	7,584	6,585	4,378	103,526	89,553	211,626		
Charge for the year	901	658	538	21,944	108,231	132,272		
Inter group transfers	-	-	-	-	19,723	19,723		
On disposals	-	-	-	-	(94,862)	(94,862)		
At 3rd October 1987	8,485	7,243	4,916	125,470	122,645	268,759		
<u>Net book value</u>								
At 3rd October 1987	36,551	25,672	9,200	115,008	252,142	438,573		
At 30th September 1986	57,840	26,330	9,738	79,307	191,013	364,228		

WILLINGTON MEDICALS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)

	<u>1987</u> £	<u>1986</u> £
10. Stocks		
Finished goods and goods for resale	<u>3,569,650</u>	<u>3,285,574</u>
11. Debtors	£	£
Trade debtors	3,624,849	3,007,952
Amounts owed by group companies	10,664	-
Other debtors	2,961	7,536
Prepayments and accrued income	<u>47,285</u>	<u>59,123</u>
	<u>3,685,759</u>	<u>3,074,611</u>
12. Creditors: amounts falling due within one year	£	£
Bank loans and overdrafts	-	201,933
Trade creditors	4,615,852	3,777,043
Amounts owed to group companies	396,567	133,429
Amounts owed to holding company	969,725	333,564
Other creditors including tax and social security	437,987	451,184
Accruals and deferred income	47,308	41,448
Proposed dividend	<u>250,000</u>	<u>319,000</u>
	<u>6,717,439</u>	<u>5,257,601</u>
Other creditors including taxation and social security comprises:	£	£
Corporation tax	349,398	314,893
Other taxes	72,769	71,243
Social security	9,876	23,025
Taxation and social security	<u>432,043</u>	<u>409,161</u>
Other creditors	<u>5,944</u>	<u>42,023</u>
	<u>437,987</u>	<u>451,184</u>

WILLINGTON MEDICALS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)

13. Provisions for liabilities and charges

	<u>Deferred</u> <u>taxation</u> £	<u>Reorganisation</u> <u>costs</u> £	<u>Total</u> £
Balance at 1st October 1986	38,000	26,591	64,591
Utilised during the year	-	(14,603)	(14,603)
Provision made during the year	-	13,000	13,000
Credit for the period in the profit and loss account			
- corporation tax	(14,404)		
- deferred tax	<u>4,442</u>	<u>(9,962)</u>	<u>(9,962)</u>
Balance at 3rd October 1987	<u>28,038</u>	<u>24,988</u>	<u>53,026</u>

Deferred taxation has been provided in full as follows:

	<u>1987</u> £	<u>1986</u> £
Accelerated capital allowances	36,783	46,000
Other timing differences	<u>(8,745)</u>	<u>(8,000)</u>
	<u>28,038</u>	<u>38,000</u>

14. Share capital

	£	£
<u>Authorised</u>		
10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
<u>Allotted, called up and fully paid</u>		
9,000 ordinary shares of £1 each	<u>9,000</u>	<u>9,000</u>

15. Capital commitments

Capital commitments at 3rd October 1987 for which no provision has been made in these accounts were as follows:-

	<u>1987</u> £	<u>1986</u> £
Contracted	50,980	-
Authorised but not contracted	<u>-</u>	<u>-</u>

WILLINGTON MEDICALS LIMITEDNOTES TO THE ACCOUNTS (CONTINUED)16. Commitment under operating leases

At 3rd October 1987 the annual commitment under non-cancellable operating leases was:

	<u>Land and buildings</u>	
	<u>1987</u>	<u>1986</u>
<u>Operating leases which expire:</u>	£	£
- within one year	-	2,900
- in the second to fifth years inclusive	8,025	4,175
- after five years	<u>66,505</u>	<u>68,855</u>

17. Contingent liabilities

The company has given a guarantee not exceeding £7,000,000 in respect of the aircraft facilities of the holding company.

18. Ultimate holding company

The ultimate holding company is Macarthy plc a company incorporated in England.