

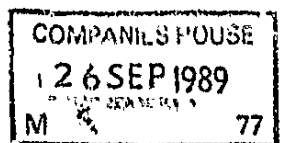
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WILLINGTON MEDICALS LIMITED

STATEMENT OF ACCOUNTS

1ST OCTOBER 1988

Peat Marwick McLintock



PEAT MARWICK McLINTOCK  
Chartered Accountants

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

1.

WILLINGTON MEDICALS LIMITED  
REPORT OF THE DIRECTORS

The directors present their report and the audited accounts for the period ended 1st October 1988.

Principal activities

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

Results and future developments

The results for the period are shown on page 4.

During the year a process of modernising the branch network began with the transfer to other group companies of the business previously conducted at Ayr and Aberdeen. Since the year end the business previously conducted from Reading has been transferred to larger premises in Bristol and the business previously served from Shrewsbury, Derby and Whitefield transferred to Stoke.

Dividend

A dividend of £280,000 was paid during the period (1987 - £250,000).

Fixed assets

The changes in fixed assets during the period are summarised in note 10 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 interests of the directors in the share capital of Macarthy plc are as follows:-

	<u>Ordinary shares of 20p each</u>	
	<u>At 1st October 1988</u>	<u>At 3rd October 1987 or date of appointment</u>
C.J.N. Ward (resigned 31st July 1989)	Nil	500
P. Ashton	Nil	Nil
K. Beevers	Nil	Nil
C.B. Thompson (deceased 19th October 1987)	Nil	Nil
M.A.W. Baggott	Nil	Nil
S.E. Oakley (appointed 1st September 1988)	Nil	Nil

On 1st November 1988 the following were also appointed directors of the company:-

D.C. White  
J. Withington (resigned 16th June 1989)

WILLINGTON MEDICALS LIMITEDREPORT OF THE DIRECTORS (CONTINUED)Auditors

A resolution for the reappointment of Peat Marwick McLintock as auditors of the company will be proposed at the annual general meeting.

FOR AND ON BEHALF OF THE BOARD



Secretary

18 September 1989

Peat Marwick McLintock

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

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

In our opinion the financial accounts give a true and fair view of the state of the company's affairs at 1st October 1988 and of the loss and source and application of funds for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Churchill House,  
Regent Road,  
Stoke-on-Trent.  
19 September 1989

*Peter Marwick McIntosh*  
Chartered Accountants

WILLINGTON MEDICALS LIMITEDPROFIT AND LOSS ACCOUNTFOR THE PERIOD ENDED 1ST OCTOBER 1988

	Notes	£	<u>3rd October 1987</u> £
TURNOVER	2	25,944,424	27,262,549
Cost of sales		(24,122,489)	(25,035,159)
GROSS PROFIT		1,821,935	2,227,390
Distribution costs		(1,331,035)	(1,281,080)
Administrative expenses		(487,187)	(489,470)
OPERATING PROFIT		3,713	456,840
Exceptional item	3	(68,675)	-
Interest receivable	4	14,846	21,468
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	(50,116)	478,308
Taxation on (loss)/profit on ordinary activities	8	3,979	(156,844)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(46,137)	321,464
Extraordinary item	9	-	(14,798)
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD		(46,137)	306,666
Dividend paid/proposed		(280,000)	(250,000)
RETAINED (LOSS)/PROFIT FOR THE FINANCIAL PERIOD		(326,137)	56,666
Retained profit brought forward		1,453,803	1,397,137
RETAINED PROFIT CARRIED FORWARD		1,127,666	1,453,803

The attached notes form part of these accounts.

WILLINGTON MEDICALS LIMITEDBALANCE SHEET AT 1ST OCTOBER 1988

	<u>Notes</u>	£	£	£	<u>1987</u>	£
<u>FIXED ASSETS</u>						
Tangible assets	10		308,397			438,573
<u>CURRENT ASSETS</u>						
Stocks	11	3,673,686		3,569,650		
Debtors	12	3,130,664		3,685,759		
Cash at bank and in hand		<u>3,991</u>		<u>539,286</u>		
		6,808,341		7,794,695		
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>						
	13	<u>(5,960,137)</u>		<u>(6,717,439)</u>		
<u>NET CURRENT ASSETS</u>			<u>848,204</u>			<u>1,077,256</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			1,156,601			1,515,829
<u>PROVISIONS FOR LIABILITIES AND CHARGES</u>	14		<u>(19,935)</u>			<u>(53,026)</u>
<u>NET ASSETS</u>			<u>1,136,666</u>			<u>1,462,803</u>
<u>CAPITAL AND RESERVES</u>						
Called up share capital	15		9,000			9,000
Profit and loss account			1,127,666			1,453,803

The accounts were approved  
by the Board of Directors  
on 18 September 1989

*De White* )  
*K. Stevens* ) Directors

1,136,666

1,462,803

The attached notes form part of these accounts.

WILLINGTON MEDICALS LIMITEDSTATEMENT OF SOURCE AND APPLICATION OF FUNDSFOR THE PERIOD ENDED 1ST OCTOBER 1988

	<u>3rd October</u> <u>1987</u>	
	£	£
<u>SOURCE OF FUNDS</u>		
(Loss)/profit before taxation	(50,116)	478,308
Adjustment for item not involving the movement of funds:-		
Depreciation (after adjusting for disposals)	<u>118,383</u>	<u>84,141</u>
<u>TOTAL GENERATED FROM OPERATIONS</u>	68,267	562,449
<u>FUNDS FROM OTHER SOURCES</u>		
Sale of fixed assets	<u>93,863</u>	<u>103,477</u>
	162,130	665,926
<u>APPLICATION OF FUNDS</u>		
Purchase of fixed assets		
(net of inter group transfers)	(82,067)	(261,963)
Group relief paid	(353,522)	(122,322)
Dividends paid	(530,000)	(319,000)
Reorganisation costs	<u>(24,990)</u>	<u>(26,380)</u>
	<u>(990,579)</u>	<u>(729,665)</u>
<u>DECREASE IN WORKING CAPITAL</u>	<u>(828,449)</u>	<u>(63,739)</u>
<u>COMPONENTS OF DECREASE IN WORKING CAPITAL</u>		
Stocks	104,036	284,076
Debtors	(648,448)	611,148
Creditors	<u>774,943</u>	<u>(1,696,266)</u>
	230,531	(801,042)
<u>Movement in net liquid funds</u>		
Cash at bank and in hand	(535,295)	535,370
Bank loans and overdrafts	<u>(523,685)</u>	<u>201,933</u>
	<u>(1,058,980)</u>	<u>737,303</u>
	<u>(828,449)</u>	<u>(63,739)</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 <sup>1</sup> / <sub>3</sub> % 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.

3. Exceptional item

This relates to exceptional costs arising on the closure of the branches at Ayr and Aberdeen.



WILLINGTON MEDICALS LIMITED

8.

NOTES TO THE ACCOUNTS (CONTINUED)

	<u>1988</u> £	<u>3rd October 1987</u> £
4. <u>Interest receivable</u>		
Receivable on bank balance	<u>14,846</u>	<u>21,468</u>

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

£

£

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

Depreciation	119,948	132,272
Directors' emoluments (see note 7)	54,878	68,746
Auditors' remuneration and expenses	14,900	12,000
Rentals payable under operating leases:-		
- Hire of equipment	13,157	2,393
- Other operating leases	<u>76,030</u>	<u>74,530</u>

6. Staff numbers and costs

1988  
Number

1987  
Number

The average number of persons employed by the company (including directors) during the period was as follows:

<u>120</u>	<u>152</u>
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The aggregate payroll costs of these persons were as follows:

£

£

Wages and salaries	920,729	818,088
Social security costs	<u>66,326</u>	<u>60,600</u>
	<u>987,055</u>	<u>878,688</u>

WILLINGTON MEDICALS LIMITED  
NOTES TO THE ACCOUNTS (CONTINUED)

7. <u>Directors' emoluments</u>	<u>3rd</u> <u>October</u>	
	<u>1988</u> £	<u>1987</u> £
Fees as directors	51,400	66,125
Other emoluments (including pension contributions)	<u>3,478</u>	<u>2,621</u>
	<u>54,878</u>	<u>68,746</u>
Emoluments (excluding pension contributions) of:	£	£
Chairman	nil	nil
Highest paid director	<u>26,253</u>	<u>19,250</u>
Other directors received emoluments (excluding pension contributions) in the following ranges:	<u>1988</u> <u>Number</u>	<u>1987</u> <u>Number</u>
£nil - £ 5,000	3	3
£15,001 - £20,000	-	3
£25,001 - £30,000	<u>1</u>	<u>-</u>
8. <u>Tax on profit on ordinary activities</u>	£	£
Corporation tax on profits for the period at 35% (1987 - 35%)	-	166,032
Under provision in prior year	4,124	29
Transfer from deferred taxation account	<u>(8,103)</u>	<u>(9,217)</u>
	<u>(3,979)</u>	<u>156,844</u>

WILLINGTON MEDICALS LIMITEDNOTES TO THE ACCOUNTS (CONTINUED)

9. <u>Extraordinary item</u>	<u>1988</u>		<u>3rd October 1987</u>	
	£	£	£	£
Extraordinary loss before taxation		-		24,777
Taxation relief				
- corporation tax	-		(9,234)	
- deferred tax	-		(745)	
		-		(9,979)
		-		14,798

10. <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 leasehold property</u>	<u>Short leasehold property</u>			
<u>Cost</u>	£	£	£	£	£	£
At 3rd October 1987	45,036	32,915	14,116	240,478	374,787	707,332
Additions	-	-	-	70,556	13,658	84,214
Inter group transfers	-	-	-	40,104	(10,448)	29,656
Disposals	(45,036)	-	(10,195)	(4,191)	(125,809)	(185,231)
At 1st October 1988	-	32,915	3,921	346,947	252,188	635,971
<u>Depreciation</u>						
At 3rd October 1987	8,485	7,243	4,916	125,470	122,645	268,759
Charge for the year	901	656	538	38,132	79,719	119,946
Inter group transfers	-	-	-	31,435	368	31,803
On disposals	(9,386)	-	(2,807)	(3,995)	(76,746)	(92,934)
At 1st October 1988	-	7,899	2,647	191,042	125,986	327,574
<u>Net book value</u>						
At 1st October 1988	-	25,016	1,274	155,905	126,202	308,397
At 3rd October 1987	36,551	25,672	9,200	115,008	252,142	438,573

WILLINGTON MEDICALS LIMITED

11.

NOTES TO THE ACCOUNTS (CONTINUED)

<u>11. Stocks</u>	<u>1988</u> £	<u>1987</u> £
Finished goods and goods for resale	<u>3,673,686</u>	<u>3,569,650</u>
 <u>12. Debtors</u>	 £	 £
Trade debtors	2,814,950	3,624,849
Amounts owed by group companies	97,189	10,664
Other debtors	55,842	2,961
Prepayments and accrued income	69,350	47,285
Advance corporation tax recoverable	<u>93,333</u>	<u>-</u>
	<u>3,130,664</u>	<u>3,685,759</u>
 <u>13. Creditors: amounts falling due within one year</u>	 £	 £
Bank loans and overdrafts	523,685	-
Trade creditors	3,061,785	4,615,852
Amounts owed to group companies	314,775	396,567
Amounts owed to holding company	1,843,534	969,725
Other creditors including tax and social security	170,356	437,987
Accruals and deferred income	46,002	47,308
Proposed dividend	<u>-</u>	<u>250,000</u>
	<u>5,960,137</u>	<u>6,717,439</u>
 Other creditors including taxation and social security comprises:	 £	 £
Corporation tax	-	349,398
ACT payable	93,333	-
Other taxes	65,048	72,769
Social security	<u>9,941</u>	<u>9,876</u>
Taxation and social security	168,322	432,043
Other creditors	<u>2,034</u>	<u>5,944</u>
	<u>170,356</u>	<u>437,987</u>