

KPMG Peat Marwick

NATIONAL VETERINARY SUPPLIES LIMITED
(formerly Willington Medicals Limited)

DIRECTORS' REPORT AND ACCOUNTS

FOR THE NINE MONTHS ENDED 30th JUNE 1992

(Registered in England, Number 339801)

COMPANIES HOUSE
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NATIONAL VETERINARY SUPPLIES LIMITED
(formerly Willington Medicals Limited)

DIRECTORS' REPORT

The directors present their report and the audited accounts for the nine months ended 30th June 1992.

Principal activities

The principal activity of the company during the period was the supply of veterinary medicines and equipment.

Change of name

On 11 September 1992 the company changed its name from Willington Medicals Limited to National Veterinary Supplies Limited.

Business review

On 27th March 1992 the offer by Lloyds Chemists plc for the whole of the issued share capital of the holding company, Macarthy PLC, was declared unconditional.

Results and dividends

The results for the period are shown on page 4. The directors do not recommend the payment of a dividend (year ended 28th September 1991: £Nil).

An amount of £523,000 is transferred from reserves.

Fixed assets

Changes in fixed assets are shown in note 6 to the accounts.

Directors

The directors who served during the period were:

A.J. Lloyd	(appointed 27th March 1992)
P.E. Lloyd	(appointed 27th March 1992)
R.J. Steele	(appointed 27th March 1992)
R.G. Turner	(appointed 27th March 1992)
S.W. Buckell	(appointed 27th March 1992)
J.D. Parsons	(resigned 27th March 1992)
S.E. Oakley	(resigned 27th March 1992)
C.W. Warrilow	(resigned 27th March 1992)
D.C. White	(resigned 30th April 1992)
M.J. Felton	(resigned 31st July 1992)

NATIONAL VETERINARY SUPPLIES LIMITED
(formerly Willington Medicals Limited)

DIRECTORS' REPORT
(continued)

Directors (continued)

None of the directors had any interest in the share capital of the company during the period.

Messrs. A.J. Lloyd, P.E. Lloyd, R.J. Steele, R.G. Turner and S.W. Buckell were directors of Lloyds Chemists plc, the ultimate holding company at the period end, and their interests are disclosed in the accounts of that company.

Mr. M.J. Felton had no interest in the share capital of any other group company at the period end.

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 prepared at the forthcoming annual general meeting.

By Order of the Board



M.N. Ebrahimjee
Secretary

3.

REPORT OF THE AUDITORS KPMG PEAT MARWICK, TO THE MEMBERS OF
NATIONAL VETERINARY SUPPLIES LIMITED

We have audited the accounts on pages 4 to 11 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company at 30th June 1992 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Peat Marwick

KPMG Peat Marwick

Birmingham

Chartered Accountants
Registered Auditors

15th October 1992

NATIONAL VETERINARY SUPPLIES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE NINE MONTHS ENDED 30th JUNE 1992

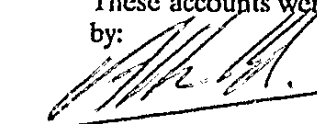
		Nine months ended 30th June 1992 £'000	Year ended 28th September 1991 £'000
	Note		
Turnover	1	12,456	15,466
Cost of sales		(12,220)	(14,458)
Gross profit		<u>236</u>	<u>1,008</u>
Distribution costs		(850)	(909)
Administrative expenses		(159)	(231)
Loss on ordinary activities before taxation	3	<u>(773)</u>	<u>(132)</u>
Tax on loss on ordinary activities	5	250	42
Loss on ordinary activities after taxation and loss for the financial period	13	<u>(523)</u>	<u>(90)</u>

The movement on retained reserves is shown in note 13 to the accounts.

NATIONAL VETERINARY SUPPLIES LIMITEDBALANCE SHEETAT 30th JUNE 1992

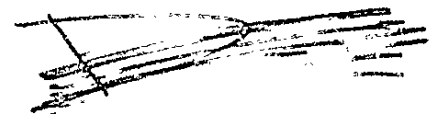
	Note	30th June 1992 £'000	28th September 1991 £'000
Fixed assets			
Tangible assets	6	192	173
Current assets			
Stocks	7	879	1,810
Debtors	8	2,083	1,950
		<u>2,962</u>	<u>3,760</u>
Creditors: amounts falling due within one year	9	<u>(2,589)</u>	<u>(3,760)</u>
Net current assets		373	-
Total assets less current liabilities		<u>565</u>	<u>173</u>
Capital and reserves			
Called up share capital	11	1,515	600
Profit and loss account	12	(950)	(427)
		<u>565</u>	<u>173</u>

These accounts were approved by the Board of directors on 15th October 1992 and signed on its behalf by:



A.J. Lloyd

)



R.J. Steele

) Directors

)

NATIONAL VETERINARY SUPPLIES LIMITED**NOTES TO THE ACCOUNTS****FOR THE NINE MONTHS ENDED 30th JUNE 1992****1. Principal accounting policies**

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

(a) Basis of preparation

The accounts 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 National Veterinary Supplies Limited and consequently, in accordance with Financial Reporting Statement Number 1, no cash flow statement is included in these accounts.

(b) Turnover

Turnover represents cash and credit sales excluding value added tax.

(c) Depreciation and amortisation of tangible fixed assets

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:

Fixtures, fittings and equipment	- 10%-20% on a straight line basis
Motor vehicles	- 25% on a straight line basis

(d) Leased assets

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

(e) Stocks

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

(f) 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.

(g) Pensions

Pension costs are charged to the profit and loss account over the expected service lives of participating employees.

NATIONAL VETERINARY SUPPLIES LIMITEDNOTES TO THE ACCOUNTSFOR THE NINE MONTHS ENDED 30th JUNE 1992

(continued)

2. Staff numbers and costs

The average weekly number of persons employed during the period, analysed by category, was made up as follows:

	Nine months ended 30th June 1992 Number	Year ended 28th September 1991 Number
Distribution	63	65

The aggregate payroll costs of these persons were as follows:

	£'000	£'000
Wages and salaries	396	528
Social security costs	29	42
	425	570

3. Loss on ordinary activities before taxation

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

	Nine months ended 30th June 1992 £'000	Year ended 28th September 1991 £'000
Directors' emoluments	54	52
Auditors' remuneration	7	11
Depreciation of tangible fixed assets	66	80
Payments under operating leases:		
Hire of equipment	.	7
Land and buildings	60	92

NATIONAL VETERINARY SUPPLIES LIMITEDNOTES TO THE ACCOUNTSFOR THE NINE MONTHS ENDED 30th JUNE 1992

(continued)

4. Directors' emoluments

Excluding pension contributions, the emoluments of the chairman were £Nil (year ended 28th September 1991: £Nil). The emoluments of the highest paid director were £30,000 (year ended 28th September 1991: £50,000).

The emoluments of the directors were within the following ranges:

	Nine months ended 30th June 1992 Number	Year ended 28th September 1991 Number
£0 - £5,000	8	4
£20,001 - £25,000	1	-
£25,001 - £30,000	1	-
£50,001 - £55,000	-	1
	<hr/>	<hr/>

5. Tax on loss on ordinary activities

	Nine months ended 30th June 1992 £'000	Year ended 28th September 1991 £'000
Group relief receivable @ 33% (year ended 28th September 1991: 33.5%)	(250)	(48)
Deferred tax	-	6
	<hr/> (250) <hr/>	<hr/> (42) <hr/>

NATIONAL VETERINARY SUPPLIES LIMITEDNOTES TO THE ACCOUNTSFOR THE NINE MONTHS ENDED 30th JUNE 1992

(continued)

6. Tangible fixed assets

	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Total £'000
Cost			
At 29th September 1991	244	194	438
Additions	5	93	98
Disposals	-	(37)	(37)
Intra-group transfers	-	(10)	(10)
At 30th June 1992	<u>249</u>	<u>240</u>	<u>489</u>
Accumulated depreciation			
At 29th September 1991	175	90	265
Charge for the period	19	47	66
Disposals	-	(30)	(30)
Intra-group transfers	-	(4)	(4)
At 30th June 1992	<u>194</u>	<u>103</u>	<u>297</u>
Net book value			
At 30th June 1992	<u>55</u>	<u>137</u>	<u>192</u>
At 28th September 1991	<u>69</u>	<u>104</u>	<u>173</u>

7. Stocks

	30th June 1992 £'000	28th September 1991 £'000
Finished goods for resale	<u>879</u>	<u>1,810</u>

8. Debtors

	30th June 1992 £'000	28th September 1991 £'000
Trade debtors	1,683	1,837
Amounts owed by group undertakings	41	1
Group relief receivable	250	-
Advance corporation tax recoverable	93	93
Prepayment	16	19
	<u>2,083</u>	<u>1,950</u>

NATIONAL VETERINARY SUPPLIES LIMITEDNOTES TO THE ACCOUNTSFOR THE NINE MONTHS ENDED 30th JUNE 1992

(continued)

9. Creditors: amounts falling due within one year

	30th June 1992 £'000	28th September 1991 £'000
Bank loans and overdrafts	27	115
Trade creditors	2,294	2,358
Amounts owed to group undertakings	84	1,120
Other taxation and social security	165	136
Accruals and deferred income	19	31
	<u>2,589</u>	<u>3,760</u>

10. Deferred taxation

At 29th September 1991 and at 30th June 1992

£

-

The amounts provided for deferred taxation and the amounts unprovided, calculated under the liability method at 33%, are as follows:

	30th June 1992		28th September 1991	
	Provided £'000	Unprovided £'000	Provided £'000	Unprovided £'000
Accelerated capital allowances	-	7,497	-	-
Short term timing differences	-	(231,151)	-	-
	<u>-</u>	<u>(223,654)</u>	<u>-</u>	<u>-</u>

11. Called up share capital

	30th June 1992 £'000	28th September 1991 £'000
Authorised:		
Ordinary shares of £1 each	<u>1,515</u>	<u>900</u>
Allotted, called up and fully paid:		
Ordinary shares of £1 each	<u>1,515</u>	<u>600</u>

On 30th June 1992 the authorised share capital was increased to £1,515,000 by the creation of an additional 915,000 ordinary shares of £1 each. These shares were issued in order to provide additional working capital.

NATIONAL VETERINARY SUPPLIES LIMITEDNOTES TO THE ACCOUNTSFOR THE NINE MONTHS ENDED 30th JUNE 1992

(continued)

12. Profit and loss account

£'000

At 29th September 1991

(427)

Loss for the financial period

(523)

At 30th June 1992

(950)

13. Capital commitments

Capital expenditure sanctioned by the board and outstanding at 30th June 1992 amounted to £250,000 (28th September 1991: £Nil).

Contracts placed against those sanctions so far as not provided in the accounts amounted to £100,000 (28th September 1991: £Nil).

14. Pensions

The company participates in the Macarthy Pension Scheme, a defined benefit scheme. Details of the scheme are set out in the Lloyds Chemists plc group accounts.

15. Ultimate holding company

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

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

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