

WILLINGTON MEDICALS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 SEPTEMBER 1991

(REGISTERED NUMBER 339801)

COMPANIES HOUSE

14 MAY 1992

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WILLINGTON MEDICALS LIMITED

REPORT OF THE DIRECTORS

The Directors present their report together with the audited financial statements of the company for the year ended 28 September 1991.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

The company has carried on the improvement forecast a year ago. However, there is still intense competitive activity and discounting in this market. These conditions cannot prevail indefinitely but until they change any further improvement will be difficult to achieve in the short term. We are actively seeking to initiate changes in the veterinary wholesaling market to ensure that there is sufficient profitability in the market as a whole to enable a sustained high standard of service to veterinary surgeons.

RESULTS AND DIVIDENDS

The results for the year are shown on page 4.

The Directors recommend that no dividend should be paid (1990 - Nil).

FIXED ASSETS

A summary of the movements during the year is given in Note 8 to the financial statements.

The freehold property was transferred to a fellow subsidiary on 1 October 1990.

DIRECTORS

The Directors of the company who served during the year are listed below:

I D Parsons	
S E Oakley	
C W Warrilow	(Appointed 21.05.91)
D C White	
M J Felton	(Appointed 03.09.91)

The beneficial interest of the Directors of the Company in the shares and debentures of Macarthy PLC, the parent Company, are set out below.

The beneficial interests of I D Parsons, S E Oakley and C W Warrilow who are also directors of Macarthy PLC, the parent Company, are set out below.

	<u>Ordinary Shares of</u>		<u>Options Under</u>		<u>Options Under</u>	
	<u>20p each</u>		<u>Executive Share</u>		<u>Sharesave Scheme</u>	
	<u>28.9.91</u>	<u>29.9.90*</u>	<u>28.9.91</u>	<u>29.9.90*</u>	<u>28.9.91</u>	<u>29.9.90*</u>
D C White	-	-	20,000	20,000	1,986	1,986
M J Felton	-	-	-	-	-	-

* or date of appointment, if later

There are no non-beneficial interests, and none of the directors had any interest in the shares of the Company.

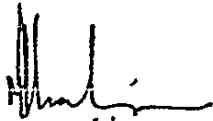
WILLINGTON MEDICALS LIMITED

REPORT OF THE DIRECTORS

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



M N Ebrahimjee
Secretary

23 January 1992

REPORT OF THE AUDITORS, KPMG PEAT MARWICK, TO THE MEMBERS OF

WILLINGTON MEDICALS LIMITED

We have audited the financial statements set out on pages 4 to 11 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the Company at 28 September 1991 and of its loss and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Peat Marwick

23 January 1992

KPMG Peat Marwick
Chartered Accountants
Registered Auditor
Festival Way
Stoke on Trent
ST1 5TA

WILLINGTON MEDICALS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 28 SEPTEMBER 1991

	<u>Note</u>	<u>1991</u> <u>£'000</u>	<u>1990</u> <u>£'000</u>
TURNOVER	1(b)	15,466	13,547
Cost of Sales		<u>(14,458)</u>	<u>(12,713)</u>
GROSS PROFIT		1,008	834
Distribution expenses		(909)	(1,027)
Administrative expenses		<u>(231)</u>	<u>(308)</u>
OPERATING LOSS		(132)	(501)
Exceptional item	6	<u>-</u>	<u>(235)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(132)	(736)
Taxation on loss on ordinary activities	7	<u>42</u>	<u>260</u>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION RETAINED FOR THE FINANCIAL YEAR	14	<u>(90)</u> =====	<u>(476)</u> =====

The notes on pages 7 to 11 form part of these financial statements.

WILLINGTON MEDICALS LIMITED

BALANCE SHEET

AS AT 28 SEPTEMBER 1991

	<u>Note</u>	<u>1991</u> <u>£'000</u>	<u>1990</u> <u>£'000</u>
FIXED ASSETS			
Tangible Assets	8	173	735
CURRENT ASSETS			
Stocks	9	1,810	2,107
Debtors	10	1,950	1,602
Cash at bank and in hand		<u>-</u>	<u>1</u>
		3,760	3,710
CREDITORS: Amounts falling due within one year	11	<u>(3,760)</u>	<u>(4,773)</u>
NET CURRENT LIABILITIES		<u>-</u>	<u>(1,063)</u>
TOTAL ASSETS/(LIABILITIES)		<u>173</u> =====	<u>(328)</u> =====
CAPITAL AND RESERVES			
Called up share capital	12	600	9
Revaluation reserve	13	-	257
Profit and loss account	14	<u>(427)</u>	<u>(594)</u>
		<u>173</u> =====	<u>(328)</u> =====

The financial statements were approved by the Board of Directors on
23 January 1992 and signed on its behalf by:

..... *D. C. White*
D C White
Director

..... *M J Felton*
M J Felton
Director

The notes on pages 7 to 11 form part of these financial statements.

WILLINGTON MEDICALS LIMITED
STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 28 SEPTEMBER 1991

	<u>1991</u> £'000	<u>1990</u> £'000
SOURCE OF FUNDS		
Loss on ordinary activities before taxation	(132)	(736)
Items not involving the movement of funds:		
Depreciation	80	107
Profit on sale of fixed assets	<u>(3)</u>	<u>-</u>
TOTAL ABSORBED BY TRADING	(55)	(629)
FUNDS FROM OTHER SOURCES		
Issue of share capital	591	-
Sale of fixed assets	15	67
Net Group transfer of fixed assets	<u>500</u>	<u>-</u>
	1,051	(562)
APPLICATION OF FUNDS		
Purchase of fixed assets	(30)	-
Net Group transfer of fixed assets	<u>-</u>	<u>(125)</u>
	1,021	(687)
	=====	=====
INCREASE/(DECREASE) IN WORKING CAPITAL		
Stocks	(297)	(663)
Debtors	348	(805)
Creditors	<u>971</u>	<u>939</u>
	1,022	(529)
NET MOVEMENT OF LIQUID FUNDS		
Bank loans and balances	<u>(1)</u>	<u>(158)</u>
	1,021	(687)
	=====	=====

The notes on pages 7 to 11 form part of these financial statements.

WILLINGTON MEDICALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 SEPTEMBER 1991

1 ACCOUNTING POLICIES

a) Accounting Convention

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

b) Turnover

Turnover represents amounts invoiced in respect of goods sold during the year, exclusive of Value Added Tax. All sales are made within the UK.

c) Depreciation on Tangible Fixed Assets

Depreciation is provided to write-off the cost of tangible fixed assets on a straight line basis over their expected useful lives. The principal rates are:

Equipment	10% to 33 1/3% per annum
Motor Vehicles	25% and 33 1/3% per annum

d) Deferred Taxation

Deferred taxation is provided, using the liability method, in respect of the taxation effect of all timing differences to the extent that the Directors consider that a liability is likely to arise.

e) Stocks

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

f) Leased Assets

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

g) Contributions to Pension Scheme

The company is a member of the Macarthy Group Pension Scheme, which is a defined benefit scheme. Pension costs have been accounted for in accordance with Statement of Standard Accounting Practice No 24 ("SSAP24"). The adjustment arising on implementation of SSAP24 is spread over the average remaining service lives of current employees in accordance with the terms of the Standard.

WILLINGTON MEDICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 SEPTEMBER 1991

2 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1991</u> <u>£'000</u>	<u>1990</u> <u>£'000</u>
Loss on ordinary activities before taxation is arrived at after charging:		
Auditors' remuneration	11	15
Depreciation	80	106
Charges under operating leases:		
- Hire of equipment	7	3
- Property rental	92	45
	=====	=====

3 DIRECTORS' EMOLUMENTS

	<u>1991</u> <u>£'000</u>	<u>1990</u> <u>£'000</u>
Fees	-	-
Other emoluments (including pension contribution)	52	48
	52	48
	=====	=====

Details of individual emoluments, excluding pension scheme contributions are as follows:

Emoluments of Chairman	Nil	Nil
Emoluments of highest paid Director	50	45

The number of Directors in each salary bracket were:

	<u>1991</u> <u>No</u>	<u>1990</u> <u>No</u>
£0 - £5,000	4	3
£40,001 - £45,000	-	1
£50,001 - £55,000	1	-

4 EMPLOYEE COSTS

	<u>1991</u> <u>£'000</u>	<u>1990</u> <u>£'000</u>
Employee costs including Directors:		
Wages and salaries	528	675
Social Security costs	42	54
	570	729
	=====	=====
	<u>No.</u>	<u>No.</u>
Average number of employees including Directors:	65	89
	===	===

WILLINGTON MEDICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 SEPTEMBER 1991

5 PENSIONS

In accordance with the provisions of SSAP24 the effect of pensions on the profit and loss account before taxation was a credit of £18,000 arising from the amortisation of surpluses over a period of 13 years, being the weighted average remaining service lives of the currently active members of the scheme. On the basis of advice of consulting actuaries no contributions are being paid to the scheme for the time being. The most recent actuarial valuation was performed at 1 January 1989, details of which are included in the financial statements of the parent company, Macarthy PLC.

6 EXCEPTIONAL ITEMS

	<u>1991</u> <u>£'000</u>	<u>1990</u> <u>£'000</u>
Costs arising on the closure of certain depots	-	235
	=====	=====

7 TAXATION ON LOSS ON ORDINARY ACTIVITIES

	<u>1991</u> <u>£'000</u>	<u>1990</u> <u>£'000</u>
UK Corporation tax at 33.5%(1990: 35%)	(48)	(264)
Deferred tax for the period	<u>6</u>	<u>4</u>
Total credit for the year	(42)	(260)
	=====	=====

8 TANGIBLE FIXED ASSETS

	<u>Freehold Land and Buildings</u> <u>£'000</u>	<u>Equipment</u> <u>£'000</u>	<u>Motor Vehicles</u> <u>£'000</u>	<u>Total</u> <u>£'000</u>
COST:				
At 30 September 1990	500	272	231	1,003
Additions	-	12	18	30
Disposals	-	(40)	(55)	(95)
Intra-Group transfers	<u>(500)</u>	<u>-</u>	<u>-</u>	<u>(500)</u>
At 28 September 1991	-	244	194	438
	=====	=====	=====	=====
DEPRECIATION:				
At 30 September 1990	-	188	80	268
Disposals	-	(40)	(43)	(83)
Charge for the year	-	27	53	80
Intra-Group transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 28 September 1991	-	175	90	265
	=====	=====	=====	=====
NET BOOK VALUE				
At 28 September 1991	-	69	104	173
	=====	=====	=====	=====
At 30 September 1990	500	84	151	735
	=====	=====	=====	=====

WILLINGTON MEDICALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 SEPTEMBER 1991

9	<u>STOCK</u>			<u>1991</u> <u>£'000</u>	<u>1990</u> <u>£'000</u>
	Finished goods for resale			1,810 =====	2,107 =====
10	<u>DEBTORS</u>			<u>1991</u> <u>£'000</u>	<u>1990</u> <u>£'000</u>
	Amounts falling due within one year:				
	Trade debtors			1,837	1,490
	Amounts owed by group undertakings			1	3
	Prepayments and accrued income			19	16
	Advance Corporation Tax recoverable			93	93
				1,950 =====	1,602 =====
11	<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>			<u>1991</u> <u>£'000</u>	<u>1990</u> <u>£'000</u>
	Bank loans and overdrafts			115	178
	Trade creditors			2,358	1,186
	Amounts owed to group undertakings			116	35
	Amounts owed to parent company			1,004	3,270
	Other creditors including tax and social security			136	85
	Accruals and deferred income			31	17
				3,760 =====	4,773 =====
12	<u>CALLED UP SHARE CAPITAL</u>				
	<u>Ordinary Shares of £1 each:</u>	<u>1991</u> <u>No.</u>	<u>1991</u> <u>£'000</u>	<u>1990</u> <u>No.</u>	<u>1990</u> <u>£'000</u>
	Authorised:	900,000 =====	900 =====	10,000 =====	10 =====
	Allotted, Called-Up & Fully Paid:	600,000 =====	600 =====	9,000 =====	9 =====

As part of the continuing expansion of the company's business the authorised share capital was increased on 27 September 1991 to £900,000. 591,000 Ordinary Shares of £1 each were issued on that date at their nominal value of £1 resulting in the company receiving a cash consideration of £591,000.

WILLINGTON MEDICALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 SEPTEMBER 1991

13 REVALUATION RESERVE

	£'000
At 30 September 1990	257
Transfer to profit and loss account	<u>(257)</u>
At 28 September 1991	- =====

14 PROFIT AND LOSS ACCOUNT

	£'000
At 30 September 1990	(594)
Loss for the financial year	(90)
Transfer from revaluation reserve	<u>257</u>
At 28 September 1991	(427) =====

15 CAPITAL COMMITMENTS

There are no capital commitments at 28 September 1991 (1990: fnil).

16 COMMITMENTS UNDER OPERATING LEASES

Future annual minimum payments to which the Company is committed at 28 September 1991 under non-cancellable operating leases analysed by the period in which they expire are as follows:

	1991 £'000	Land & Buildings 1990 £'000
Year ending 30 September 1992	-	-
Years ending in 1993 to 1996	-	12
1997 and beyond	<u>12</u>	<u>-</u>
	12 =====	12 =====

17 ULTIMATE PARENT COMPANY

The ultimate parent company is Macarthy PLC, a company registered in England and Wales. Group accounts are drawn up by Macarthy PLC and a copy can be obtained from the Registrar of Companies, PO Box 450, Crown Way, Cardiff CF4 3YA.