

Tile Hill Pharmacy (1964) Limited

Directors' report and financial statements

Period from 29 July 1994 to 30 June 1995

Registered number 789397



Tile Hill Pharmacy (1964) Limited

Directors' report and financial statements

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Tile Hill Pharmacy (1964) Limited

Directors' report

The directors present their report and the audited financial statements for the period ended 30 June 1995.

Principal activities

The principal activity of the company during the period was that of a retail chemist. On 29 July 1994 the whole of the company's issued share capital was acquired by Lloyds Retail Chemists Limited, a subsidiary of Lloyds Chemists plc.

Results and dividends

The results for the period are set out on page 5. The directors do not recommend the payment of a dividend (*period ended 28 July 1994: £Nil*). The retained profit for the financial period of £46,810 is transferred to reserves.

Significant changes in fixed assets

The changes in fixed assets are set out in note 7 to the financial statements.

Directors and directors' interests

The directors who held office during the period were as follows:

AJ Lloyd	(appointed 29 July 1994)
PE Lloyd	(appointed 29 July 1994, resigned 13 June 1995)
MA Ward	(appointed 29 July 1994)
RG Turner	(appointed 29 July 1994)
SW Buckell	(appointed 29 July 1994)
MJ Hardy	(appointed 29 July 1994)
DR Moore	(appointed 29 July 1994)
SR Bakewell	(appointed 29 July 1994, resigned 31 March 1995)
NN Makadia	(appointed 31 March 1995)
GF Paisley	(resigned 29 July 1994)
Mrs A Paisley	(resigned 29 July 1994)
K Paisley	(resigned 29 July 1994)

In addition, JC Fellows was appointed as a director on 3 July 1995.

AJ Lloyd, MA Ward and RG Turner were directors of Lloyds Chemists plc, the ultimate holding company at the period end and their interests are disclosed in the financial statements of that company.

Tile Hill Pharmacy (1964) Limited

Directors' report *(continued)*

Directors and directors' interests

The interests of the other directors in office at the period end in the share capital of Lloyds Chemists plc were as follows:

	Preference shares of 5p each		SAYE Share Option Scheme Ordinary shares of 5p each		Ordinary shares of 5p each		Executive Share Option Scheme Ordinary shares of 5p each	
	1995	1994 or date of appointment	1995	1994 or date of appointment	1995	1994 or date of appointment	1995	1994 or date of appointment
SW Buckell	608	608	7,560	7,560	5,621	5,621	119,800	109,800
MJ Hardy	-	-	-	-	100	100	38,480	28,480
DR Moore	-	-	2,036	2,036	4	4	17,000	12,000
NN Makadia	-	-	-	-	-	-	-	-

On 11 November 1994 SW Buckell, MJ Hardy and DR Moore were granted Executive Share Options in respect of 10,000, 10,000 and 5,000 ordinary shares respectively.

Liability insurance

Pursuant to Section 310 of the Companies Act 1985, the company maintains insurance for its directors and officers against the financial consequences of actions brought against them by outside parties for acts or omissions in the performance of their duties as directors or officers of the company.

Auditors

Walker Thompson resigned as auditors during the period and the directors appointed KPMG Peat Marwick to fill the casual vacancy.

On 6 February 1995 the new auditors changed the name under which they practise to KPMG and, accordingly, have signed their report in their new name. In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming annual general meeting.

By Order of the Board

JM Sadler
Secretary



Britannia House
Centurion Park
Tamworth
Staffordshire
B77 5TZ

10 October 1995

Tile Hill Pharmacy (1964) 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 period which give a true and fair view of the state of affairs of the Company as at the end of the period and of the profit or loss for the period.

The directors consider that in preparing the financial statements set out on pages 5 to 14, 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.



2 Cornwall Street
Birmingham B3 2DL

Auditors' report to the members of Tile Hill Pharmacy (1964) Limited

We have audited the financial statements on pages 5 to 14.

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 1995 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

LPM

KPMG
Chartered Accountants
Registered Auditors

10 October 1995



Tile Hill Pharmacy (1964) Limited

Profit and loss account

for the period ended 30 June 1995

		Continuing operations	
	Note	Period ended 30 June 1995 £	Period ended 28 July 1994 £
Turnover	1	431,679	222,142
Cost of sales		(345,434)	(170,476)
Gross profit		86,245	51,666
Distribution costs		(63,497)	-
Administrative expenses		(39)	(44,311)
Operating profit		22,709	7,355
Profit on sale of fixed assets		32,428	-
Interest payable and similar charges	3	-	(2,800)
Profit on ordinary activities before taxation	4	55,137	4,555
Tax on profit on ordinary activities	6	(8,327)	-
Profit on ordinary activities after taxation and retained profit for the financial period	13	46,810	4,555


A statement of movements on reserves is given in note 13 to the financial statements.

Tile Hill Pharmacy (1964) Limited

Balance sheet at 30 June 1995

	Note	30 June 1995 £	28 July 1994 £
Fixed assets			
Tangible assets	7	131,315	104,884
Current assets			
Stocks	8	49,601	45,541
Debtors	9	6,275	61,619
Cash at bank and in hand		26,132	845
		<u>82,008</u>	<u>108,005</u>
Creditors: amounts falling due within one year	10	<u>(39,439)</u>	<u>(152,815)</u>
Net current assets/(liabilities)		<u>42,569</u>	<u>(44,810)</u>
Net assets		<u>173,884</u>	<u>60,074</u>
Capital and reserves			
Called up share capital	12	36,120	36,120
Revaluation reserve	13	67,000	80,479
Profit and loss account	13	70,764	(56,525)
Total equity shareholders' funds		<u>173,884</u>	<u>60,074</u>

These financial statements were approved by the board of directors on 10 October 1995 and were signed on its behalf by:


JC Fellows
Director

Tile Hill Pharmacy (1964) Limited

Statement of total recognised gains and losses for the period ended 30 June 1995

	Period ended 30 June 1995 £	Period ended 28 July 1994 £
Profit for the financial period	46,810	4,555
Unrealised surplus/(deficit) on revaluation of assets	67,000	(75,000)
	<hr/>	<hr/>
Total recognised gains and losses related to the period	113,810	(70,445)
	<hr/>	<hr/>

Historical cost profits and losses for the period ended 30 June 1995

	Period ended 30 June 1995 £	Period ended 28 July 1994 £
Historical cost profit on ordinary activities before taxation	55,137	4,555
Revaluation reserve realised on disposal	80,479	-
	<hr/>	<hr/>
Historical cost profit before taxation	135,616	4,555
	<hr/>	<hr/>
Historical cost profit for the period retained after taxation	127,289	4,555
	<hr/>	<hr/>

Reconciliation of movements in shareholders' funds for the period ended 30 June 1995

	Period ended 30 June 1995 £	Period ended 28 July 1994 £
Profit for the financial period	46,810	4,555
Other recognised gains and losses	67,000	(75,000)
	<hr/>	<hr/>
Net movement in shareholders' funds	113,810	(70,445)
Opening shareholders' funds	60,074	55,519
	<hr/>	<hr/>
Closing shareholders' funds	176,407	60,074
	<hr/>	<hr/>

Tile Hill Pharmacy (1964) 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, modified by the revaluation of certain properties, 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 Tile Hill Pharmacy (1964) Limited, from the date of acquisition, and consequently, in accordance with Financial Reporting Standard Number 1, no cash flow statement is included in these financial statements.

Turnover

Turnover represents cash and credit sales excluding value added tax. All sales were made in the United Kingdom.

Depreciation and amortisation

Depreciation is calculated so as to write off the gross book value less estimated residual value of tangible fixed assets over their estimated useful lives. The principal rates used are as follows:

Short leasehold properties	- period of the lease
Motor vehicles	- 25% on a reducing balance
Fixtures, fittings and equipment	- 10%-20% on a straight line basis

It is the group's policy to maintain its freehold properties in a state of good repair. Because of this, such properties maintain residual disposal values, based on prices prevailing at the date of purchase or subsequent valuation, at least equal to their book value and accordingly no provision for depreciation is made. Where there is a permanent diminution in the value of a freehold property or other tangible asset a charge is made to the profit and loss account.

Properties

The licensed chemist property portfolio is professionally valued on the basis of open market value for existing use. Surpluses arising on revaluation are taken directly to the revaluation reserve.

On disposal, the difference between the proceeds and the carrying value is taken to the profit and loss account.

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.

Tile Hill Pharmacy (1964) Limited

Notes (continued)

1 Accounting policies (continued)

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 period 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.

Pensions

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

2 Staff numbers and costs

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

	Period ended 30 June 1995 Number	Period ended 28 July 1994 Number
Retail	3	3
The aggregate payroll costs of these persons were as follows:	£	£
Wages and salaries	28,385	24,446
Social security costs	1,948	1,678
Other pension costs	-	930
	30,333	27,054

3 Interest payable

	Period ended 30 June 1995 £	Period ended 28 July 1994 £
On bank loans and overdrafts	-	2,800

Tile Hill Pharmacy (1964) Limited

Notes (continued)

4 Profit on ordinary activities before taxation

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

	Period ended 30 June 1995 £	Period ended 28 July 1994 £
Directors' emoluments	-	9,628
Auditors' remuneration	-	3,450
Depreciation of owned fixed assets	5,980	468
Payments under operating leases:		
Land and buildings	8,025	-
	<u>8,025</u>	<u>-</u>

5 Directors' emoluments

Excluding pension contributions, the emoluments of the chairman were £Nil and those of the highest paid director and previous chairman were £Nil (*period ended 28 July 1994: £9,628*). The emoluments of the directors were within the following ranges:

	Period ended 30 June 1995 Number	Period ended 28 July 1994 Number
£0 - £5,000	12	2
£5,001 - £10,000	-	1
	<u>-</u>	<u>1</u>

6 Tax on profit on ordinary activities

	Period ended 30 June 1995 £	Period ended 28 July 1994 £
Taxation based on the profit for the financial period:		
Corporation tax at 33% (<i>period ended 28 July 1994: 25%</i>)	8,327	-
	<u>8,327</u>	<u>-</u>

Tile Hill Pharmacy (1964) Limited

Notes (continued)

7 Tangible fixed assets

	Freehold property £	Short leasehold property £	Fixtures and fittings £	Total £
Cost or valuation				
At 29 July 1994	100,000	-	25,403	125,403
Additions	-	433	67,501	67,934
Disposals	(100,000)	-	(25,403)	(125,403)
Revaluation	-	67,000	-	67,000
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 1995	-	67,433	67,501	134,934
	<hr/>	<hr/>	<hr/>	<hr/>
Representing:				
At cost	-	433	67,501	67,934
At valuation in 1995	-	67,000	-	67,000
	<hr/>	<hr/>	<hr/>	<hr/>
	-	67,433	67,501	134,934
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 29 July 1994	-	-	20,519	20,519
Charge for the period	-	14	5,966	5,980
Disposals	-	-	(22,880)	(22,880)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 1995	-	14	3,605	3,619
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 30 June 1995	-	67,419	63,896	131,315
	<hr/>	<hr/>	<hr/>	<hr/>
At 28 July 1994	100,000	-	4,884	104,884
	<hr/>	<hr/>	<hr/>	<hr/>

The licensed chemist short leasehold property portfolio is stated at its open market valuation at 30 June 1995. This valuation was carried out by Chesterton International plc who valued the portfolio on the basis of the open market value for the existing use, in accordance with the Statements of Asset Valuation Practice and Guidance Notes published by The Royal Institution of Chartered Surveyors. In the opinion of the directors the value of the short leasehold property portfolio is not less than the value at which it is carried in the balance sheet.

8 Stocks

	30 June 1995 £	28 July 1994 £
Goods for resale	<u>49,601</u>	<u>45,541</u>

Tile Hill Pharmacy (1964) Limited

Notes (continued)

9 Debtors

	30 June 1995 £	28 July 1994 £
Trade debtors	-	51,523
Other debtors	-	10,096
Prepayments	6,275	-
	<u>6,275</u>	<u>61,619</u>

10 Creditors: amounts falling due within one year

	30 June 1995 £	28 July 1994 £
Bank loans and overdraft	-	61,277
Trade creditors	-	59,290
Amounts owed to parent and fellow subsidiary undertakings	25,409	-
Other creditors	5,604	32,248
Corporation tax	8,327	-
Accruals and deferred income	99	-
	<u>39,439</u>	<u>152,815</u>

11 Deferred taxation

No provision has been made for deferred taxation. The amounts unprovided, calculated under the liability method at 33% (28 July 1994: 25%), are set out below:

	30 June 1995 £	28 July 1994 £
Accelerated capital allowances	3,325	846
Chargeable gains on fixed assets to be rolled over	13,341	13,341
Chargeable gains on fixed assets revalued	22,110	-
	<u>38,776</u>	<u>14,187</u>

Tile Hill Pharmacy (1964) Limited

Notes (continued)

12 Share capital

	30 June 1995 £	28 July 1994 £
Authorised:		
40,000 ordinary shares of £1 each	<u>40,000</u>	<u>40,000</u>
Allotted, called up and fully paid:		
36,120 ordinary shares of £1 each	<u>36,120</u>	<u>36,120</u>

13 Reserves

	Revaluation reserve £	Profit and loss account £
At 29 July 1994	80,479	(56,525)
Revaluation reserve realised on disposal	(80,479)	80,479
Revaluation during the period	67,000	-
Profit retained for the financial period	-	46,810
	<u>67,000</u>	<u>70,764</u>
At 30 June 1995	<u>67,000</u>	<u>70,764</u>

14 Commitments under operating leases

Annual commitments under non-cancellable operating leases in respect of land and buildings are as follows:

	30 June 1995 £	28 July 1994 £
Commitments which expire:		
In more than five years	<u>12,000</u>	<u>-</u>

15 Capital commitments

The company had no capital commitments at 30 June 1995 (28 July 1994: £Nil).

Tile Hill Pharmacy (1964) Limited

Notes (*continued*)

16 Pensions

The company's previous pension scheme ceased during the period ended 28 July 1994.

From 29 July 1994, employees of the company became entitled to participate in the defined contribution pension scheme operated by the Lloyds Chemists Group. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the company to the scheme. Details of the scheme are set out in the Lloyds Chemists plc group financial statements.

17 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 with the group financial statements of Lloyds Chemists plc from the date of its acquisition by Lloyds Retail Chemists Limited 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.