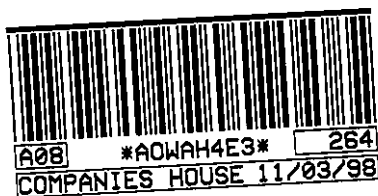


EBBW VALE CONSORTIUM LIMITED
DIRECTORS REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH NOVEMBER 1997

Company No. 1338409 (England and Wales)



EBBW VALE CONSORTIUM LIMITED

Company Information

Directors

Boots The Chemist Plc
National Cooperative Chemists Limited

Secretary

A. Sutton

Company Number

1338409 (England and Wales)

Registered Office

The Health Centre,
Ebbw Vale,
Gwent.
NP3 6XJ

Auditors

Theo Jones & Co.
Chartered Accountants and Registered Auditors
49 Somerset Street
Abertillery
Gwent
NP3 1DL

EBBW VALE CONSORTIUM LIMITED

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The following pages do not form part of the statutory accounts:

Trading and Profit and Loss Account and summaries

EBBW VALE CONSORTIUM LIMITED

Directors Report for the year ended 30th November, 1997.

The directors present their report and the financial statements for the year ended 30th November 1997.

Statement of Directors responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The company's principal activity continues to be that of Dispensing Chemists.

Directors

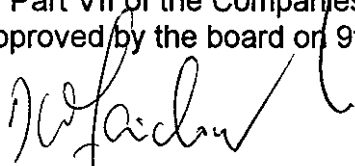
The Directors at 30th November 1997 and their interests in the share capital of the company were as follows:

	Ordinary Shares of £1 each	
	1997	1996
Boots The Chemists Plc	50	50
National Cooperative Chemists Limited	50	50

Auditors

The auditors, Theo Jones & Co., will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This Report, which has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, was approved by the board on 9th February, 1998 and signed on its behalf.



D. Fairclough (For National Co-operative Chemists Limited)
Director

EBBW VALE CONSORTIUM LIMITED**Auditors Report to the Shareholders of Ebbw Vale Consortium Limited**

We have audited the financial statements on pages 3 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1 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

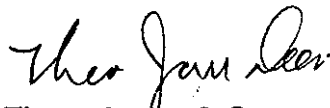
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board.

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 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 misstatement, 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 at 30th November 1997 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Theo. Jones & Co.

Chartered Accountants and Registered Auditors
49 Somerset Street
Abertillery
Gwent
NP3 1DL

18th February 1998

EBBW VALE CONSORTIUM LIMITED

Profit and Loss Account for the year ended 30th November 1997

	Notes	1997 £	1996 £
Turnover	1,2	492,419	682,985
Cost of Sales		422,294	585,125
		<hr/> 70,125	<hr/> 97,860
Discounts		35,807	45,572
		<hr/> 105,932	<hr/> 143,432
Gross Profit			
Operating Costs			
Administration Costs		61,307	62,536
Establishment Costs		10,131	9,793
Other Operating Costs		2,704	2,724
		<hr/> 31,790	<hr/> 68,379
Net Profit on Ordinary Activities before taxation	3		
Bank Interest Receivable		1,037	878
		<hr/> 32,827	<hr/> 69,257
Net Profit on Ordinary Activities			
Directors Fees		33,000	69,000
Corporation Tax	4	64	171
		<hr/> (237)	<hr/> 86
Retained Profit (Loss) after Taxation			
Retained Profit Brought Forward		26,360	26,274
Retained profit carried forward		<hr/> 26,123	<hr/> 26,360

There were no recognised gains and losses for 1997 or 1996 other than those included in the profit and loss account.

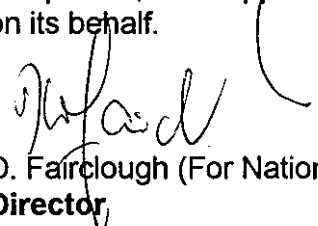
The notes on pages 5 to 8 form part of these financial statements

EBBW VALE CONSORTIUM LIMITED

Balance Sheet as at 30th November 1997

	Notes	1997 £	£	1996 £	£
Fixed Assets					
Tangible Assets	5		440		520
Current Assets					
Stocks		31,537		37,727	
Debtors	6	49,326		74,264	
Cash at bank and in hand		49,567		77,181	
		<u>130,430</u>		<u>189,172</u>	
Creditors: amount falling due within one year	7	<u>104,647</u>		<u>163,232</u>	
Net Current Assets			25,783		25,940
Net assets			<u>26,223</u>		<u>26,460</u>
Capital and reserves					
Called up share capital	8		100		100
Profit and loss account			26,123		26,360
Shareholders' funds	9		<u>26,223</u>		<u>26,460</u>

The Financial Statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, were approved by the board on 9th February, 1998 and signed on its behalf.


D. Fairclough (For National Co-operative Chemists Limited)
Director

The notes on pages 5 to 8 form part of these financial statements.

EBBW VALE CONSORTIUM LIMITED**Notes to the Financial Statements for the year ended 30th November 1997****1 Accounting policies****1.1 Basis of preparation of financial statements**

The financial statements are prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

The Company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company net of Value Added Tax and trade discounts.

1.3 Tangible Fixed Assets

Tangible Fixed Assets are stated at cost less depreciation.

Depreciation is provided to write off the cost of the fixed assets over their expected useful lives.

1.4 Stocks

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

1.5 Deferred Taxation

Deferred taxation is accounted for on a nil provision basis

EBBW VALE CONSORTIUM LIMITED

Notes to the financial statements for the year ended 30th November 1997

2 Turnover

In the year to 30th November 1997 the whole of the company's turnover was to markets inside the United Kingdom (same as 1996)

3 Operating profit

The operating profit is stated after charging:

Depreciation of tangible fixed assets

owned by the company

Auditors remuneration

Directors Fees

1997	1996
£	£

80	77
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1,700	1,650
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33,000	69,000
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4 Taxation

UK current year taxation

UK Corporation Tax

64	171
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EBBW VALE CONSORTIUM LIMITED

Notes to the financial statements for the year ended 30th November 1997

5 Tangible fixed assets

	Equipment	Fixtures & Fittings	Total
Cost			
At 1st December 1996	4,109	6,000	10,109
Additions	0	0	0
Disposals	0	0	0
At 30th November 1997	4,109	6,000	10,109
Depeciation			
At 1st December 1996	3,689	5,900	9,589
On Disposals	0	0	0
Charge for year	80	0	80
At 30th November 1997	3,769	5,900	9,669
Net book values			
At 30th November 1997	340	100	440
At 30th November 1996	420	100	520

6 Debtors

Due within one year

	1997	1996
Trade debtors	42,889	63,448
VAT Debtor	5,637	10,016
Staff Loans	800	800
	49,326	74,264

EBBW VALE CONSORTIUM LIMITED

Notes to the financial statements for the year ended 30th November 1997

	1997 £	1996 £
7 Creditors: amounts falling due within one year		
Trade	28,358	48,801
Wages and PAYE & NIC	2,722	1,977
Expenses	11,503	11,283
Corporation Tax	64	171
Directors Fees Current Year	33,000	69,000
Directors Fees Previous Year	29,000	32,000
	<u>104,647</u>	<u>163,232</u>
 8 Share Capital		
Authorised		
100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>
 Allotted, called up and fully paid		
100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>
 9 Movement on shareholders' funds		
Profit (Loss) for the year	(237)	86
 Opening shareholders' funds	<u>26,360</u>	<u>26,274</u>
Closing shareholders' funds	<u>26,123</u>	<u>26,360</u>