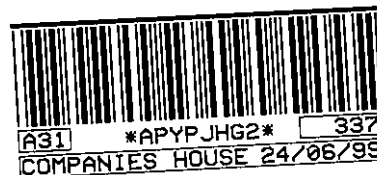


**PAUL WHEELER LIMITED**  
**FINANCIAL STATEMENTS**  
**31 JANUARY 1999**

Company Registration Number 1385747



**SHEEN STICKLAND**  
CHARTERED ACCOUNTANTS

**PAUL WHEELER LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JANUARY 1999**

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**The following pages do not form part of the financial statements**

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# PAUL WHEELER LIMITED

## THE DIRECTORS' REPORT

YEAR ENDED 31 JANUARY 1999

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 January 1999.

### PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of Retail Chemists. The Subsidiary Undertaking did not trade during the year.

### THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 January 1999	At 1 February 1998
Paul L Wheeler	450	450
Corinne G Wheeler	450	450
Paul L Wheeler (trustee)	100	100

S.G.Pritchard, a partner in Sheen Stickland, is a trustee in the above trust. Neither S.G.Pritchard, nor his family, have a beneficial interest in that trust.

### GROUP FINANCIAL STATEMENTS

The Parent and Subsidiary Undertakings accounting reference dates are coterminous. However Group Financial Statements have not been prepared as advantage has been taken of the exemption provided by Section 248 of the Companies Act 1985 available to small groups.

### IMPACT OF YEAR 2000 AND THE INTRODUCTION OF THE EURO

The directors have considered the impact of the year 2000 and the introduction of the Euro and have concluded that these will not cause the company any material problems.

### 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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on pages 6 to 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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. The directors 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.

**PAUL WHEELER LIMITED**  
**THE DIRECTORS' REPORT** *(continued)*  
**YEAR ENDED 31 JANUARY 1999**

**AUDITORS**

A resolution to re-appoint Sheen Stickland as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

**SMALL COMPANY PROVISIONS**

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:  
3 Downing Street  
Farnham  
Surrey  
GU9 7PA

Signed by order of the directors



MRS C G WHEELER  
Company Secretary

Approved by the directors on 16 June 1999

**PAUL WHEELER LIMITED**  
**AUDITORS' REPORT TO THE SHAREHOLDERS**  
**YEAR ENDED 31 JANUARY 1999**

We have audited the financial statements on pages 4 to 13 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention and the accounting policies set out on pages 6 to 7.

**RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS**

As described on page 1, the company's directors are responsible for the preparation of the 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 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 company's state of affairs as at 31 January 1999 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

3 Downing Street  
Farnham  
Surrey  
GU9 7PA

22 June 1999

  
SHEEN STICKLAND  
Chartered Accountants  
& Registered Auditors

**PAUL WHEELER LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 JANUARY 1999**

	Note	1999 £	1998 £
<b>TURNOVER</b>		1,465,467	1,400,953
Cost of sales		1,145,496	1,109,778
<b>GROSS PROFIT</b>		<u>319,971</u>	<u>291,175</u>
Administrative expenses		252,280	227,517
Other operating income		(6,600)	(6,375)
<b>OPERATING PROFIT</b>	2	<u>74,291</u>	<u>70,033</u>
Income from other fixed asset investments	4	647	566
Profit/(Loss) on disposal of investments	5	8,431	(7,514)
Interest payable		18,408	18,396
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>64,961</u>	<u>44,689</u>
Tax on profit on ordinary activities	6	12,841	9,333
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<u>52,120</u>	<u>35,356</u>
Equity dividends paid		24,000	24,000
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		<u>28,120</u>	<u>11,356</u>
Balance brought forward		78,136	66,780
Balance carried forward		<u>106,256</u>	<u>78,136</u>

The notes on pages 6 to 13 form part of these financial statements.

# PAUL WHEELER LIMITED

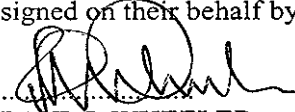
## BALANCE SHEET


31 JANUARY 1999

	Note	1999	1998
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	8	206,506	215,942
Investments	9	2,967	142,674
		<u>209,473</u>	<u>358,616</u>
<b>CURRENT ASSETS</b>			
Stocks		93,555	87,251
Debtors	10	123,414	123,290
Cash at bank and in hand		2,419	2,293
		<u>219,388</u>	<u>212,834</u>
<b>CREDITORS: Amounts falling due within one year</b>	11	<u>(219,270)</u>	<u>(376,996)</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		118	(164,162)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>209,591</u>	<u>194,454</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	12	<u>(102,335)</u>	<u>(115,318)</u>
		<u>107,256</u>	<u>79,136</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	16	1,000	1,000
Profit and loss account	17	106,256	78,136
<b>SHAREHOLDERS' FUNDS</b>		<u>107,256</u>	<u>79,136</u>

These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities.

These financial statements were approved by the directors on the 16 June 1999 and are signed on their behalf by:

  
PAUL L WHEELER

  
CORINNE G WHEELER

**PAUL WHEELER LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JANUARY 1999**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities.

**Consolidation**

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

**Turnover**

Turnover is the total amount receivable by the Group in the ordinary course of business with outside customers for services and goods supplies excluding VAT and Trade Discounts.

**Goodwill**

Purchased goodwill is written off immediately against reserves. Goodwill which is generated by the activities of the company is not recognised as an asset in the balance sheet and the associated costs are written off to the profit and loss account when they are incurred.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold property - 2% straight line

Equipment and fixtures - 15% reducing balance

Motor vehicles - 25% reducing balance

Computer equipment - 33% reducing balance

**Stocks**

Stock and Work in Progress is stated at the lower of cost and net realisable value, after making due allowance for obsolete items.

**Hire purchase agreements**

Where assets are financed by leasing or hire purchase agreements which give risks and rewards approximating to ownership (finance leases) they are treated as if they had been purchased outright on credit. They are therefore initially recorded as a fixed asset and a liability at a sum equal to the fair value of the asset. Leasing payments on such assets are regarded as consisting of a capital element which reduces the outstanding liability and an interest charge. All other leases are regarded as operating leases and the total payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits as incurred.



**PAUL WHEELER LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JANUARY 1999**

**1. ACCOUNTING POLICIES** *(continued)*

**Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

**2. OPERATING PROFIT**

Operating profit is stated after charging/(crediting):

	1999 £	1998 £
Staff pension contributions	1,654	1,605
Depreciation	24,276	14,308
Profit on disposal of fixed assets	(3,969)	(11,479)
Auditors' fees	<u>3,000</u>	<u>3,000</u>

**3. DIRECTORS' EMOLUMENTS**

The directors' aggregate emoluments in respect of qualifying services were:

	1999 £	1998 £
Aggregate emoluments	70,776	69,546
Value of company pension contributions to money purchase schemes	10,000	8,000
	<u>80,776</u>	<u>77,546</u>

The number of directors who are accruing benefits under company pension schemes were as follows:

	1999 No.	1998 No.
Money purchase schemes	<u>2</u>	<u>2</u>

**4. INCOME FROM OTHER FIXED ASSET INVESTMENTS**

	1999 £	1998 £
Franked investment income	<u>647</u>	<u>566</u>

**PAUL WHEELER LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JANUARY 1999**

**5. (LOSS)/PROFIT ON DISPOSAL OF INVESTMENTS**

	1999 £	1998 £
Amounts written off investments	140,354	7,514
Write off of intercompany loan	(148,785)	-
	<u>(8,431)</u>	<u>7,514</u>

**6. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	1999 £	1998 £
In respect of the year:		
Corporation tax based on the results for the year at 21% (1998 - 24/21%)	11,989	9,876
Adjustment in respect of previous years:		
Corporation tax	<u>852</u>	<u>(543)</u>
	<u>12,841</u>	<u>9,333</u>

**7. INTANGIBLE FIXED ASSETS**

During the year the directors made the decision to write off all fully amortised goodwill.

**PAUL WHEELER LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JANUARY 1999**

**8. TANGIBLE FIXED ASSETS**

	Freehold Property £	Equipment and Fixtures £	Motor Vehicles £	Computer Equipment £	Total £
<b>COST</b>					
At 1 February 1998	148,053	62,530	74,579	5,164	290,326
Additions	-	-	34,584	788	35,372
Disposals	-	-	(36,500)	-	(36,500)
<b>At 31 January 1999</b>	<u>148,053</u>	<u>62,530</u>	<u>72,663</u>	<u>5,952</u>	<u>289,198</u>
<b>DEPRECIATION</b>					
At 1 February 1998	8,883	44,729	16,762	4,010	74,384
Charge for the year	2,961	2,700	17,967	648	24,276
On disposals	-	-	(15,968)	-	(15,968)
<b>At 31 January 1999</b>	<u>11,844</u>	<u>47,429</u>	<u>18,761</u>	<u>4,658</u>	<u>82,692</u>
<b>NET BOOK VALUE</b>					
<b>At 31 January 1999</b>	<u>136,209</u>	<u>15,101</u>	<u>53,902</u>	<u>1,294</u>	<u>206,506</u>
At 31 January 1998	<u>139,170</u>	<u>17,801</u>	<u>57,817</u>	<u>1,154</u>	<u>215,942</u>

**Hire purchase agreements**

Included within the net book value of £206,506 is £53,902 (1998 - £37,286) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £17,967 (1998 - £793).

**PAUL WHEELER LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JANUARY 1999**

**9. INVESTMENTS**

	Shares in Subsidiary Company	Listed Investments	Total
	£	£	£
<b>COST</b>			
At 1 February 1998	230,522	2,320	232,842
Additions	-	647	647
At 31 January 1999	<u>230,522</u>	<u>2,967</u>	<u>233,489</u>
<b>AMOUNTS WRITTEN OFF</b>			
At 1 February 1998	90,168	-	90,168
Written off in year	140,354	-	140,354
At 31 January 1999	<u>230,522</u>	<u>-</u>	<u>230,522</u>
<b>NET BOOK VALUE</b>			
At 31 January 1999	-	2,967	2,967
At 31 January 1998	<u>140,354</u>	<u>2,320</u>	<u>142,674</u>

**Listed investments**

Listed investments having a net book value of £2,967 (1998 - £2,320) are held by the company and had a market value of £32,740 at the end of the year (1998 - £24,941).

The company owns 100% of the issued share capital of the company listed below

<b>Aggregate capital and reserves</b>	<b>1999</b>	<b>1998</b>
	£	£
DM & HW Brown Limited	Nil	148,785

Under the provision of section 248 of the Companies Act 1985 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity.

During the year the amount due to DM & HW Brown Ltd was waived by that company and so it has been written off (see note 11). As this has resulted in that company being left with a balance sheet with no value, the investment by Paul Wheeler Limited has been written down to zero.

**PAUL WHEELER LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JANUARY 1999**

**10. DEBTORS**

	1999 £	1998 £
Trade debtors	107,129	107,242
VAT recoverable	11,794	11,335
Prepayments and accrued income	4,491	4,713
	<u>123,414</u>	<u>123,290</u>

**11. CREDITORS: Amounts falling due within one year**

	1999 £	1998 £
Bank loans and overdrafts	15,342	26,490
Trade creditors	102,550	101,188
Other creditors including:		
Advance Corporation Tax	1,998	1,929
Corporation tax	5,989	3,876
PAYE and social security	3,529	1,773
Hire purchase agreements	6,000	3,000
Directors current accounts	72,299	78,038
Amount owed to Susidiary Undertaking	-	148,785
	<u>89,815</u>	<u>237,401</u>
Accruals and deferred income	11,563	11,917
	<u>219,270</u>	<u>376,996</u>

During the year the directors of the subsidiary undertaking decided that they would no longer be seeking repayment of the intercompany loan (see note 9).

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	1999 £	1998 £
Bank loans and overdrafts	<u>13,897</u>	<u>12,805</u>

**12. CREDITORS: Amounts falling due after more than one year**

	1999 £	1998 £
Bank loans and overdrafts	100,585	112,318
Hire purchase agreements	1,750	3,000
	<u>102,335</u>	<u>115,318</u>

**PAUL WHEELER LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JANUARY 1999**

**12. CREDITORS: Amounts falling due after more than one year** *(continued)*

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	1999 £	1998 £
Bank loans and overdrafts	<u>100,585</u>	<u>112,318</u>

Included within creditors falling due after more than one year is an amount of £34,963 (1998 - £49,248) in respect of liabilities which fall due for payment after more than five years from the balance sheet date.

Two loans were in existence at the year end. A ten year loan for £78,500 was taken out in December 1995 to assist with the purchase of freehold property. The interest rate is 1.25% above base rate, with a minimum of 5.25% per annum. The instalments are initially £946.86 per month. The first repayment was January 1996. This loan is secured by way of a Guarantee by Unichem Plc.

The second ten year loan was for £65,000 and was also for the purchase of freehold property in December 1995. For the first twelve months the loan attracted fixed interest repayments only, after which it was repayable at 1.25% above base rate, with a minimum rate of 5.25% per annum. The current rate of interest on the loan is 6.75%. This loan is secured by way of a First Legal Mortgage over the freehold property.

**13. COMMITMENTS UNDER OPERATING LEASES**

At 31 January 1999 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	1999 £	1998 £
Operating leases which expire: After more than 5 years	<u>7,975</u>	<u>7,975</u>

**14. TRANSACTIONS WITH THE DIRECTORS**

The following movements occurred on Directors loan balances during the year.

Paul Wheeler withdrew a total of £4,785 during the year. At the year end the total balance due to him was £31,526 (1998: £33,729).

Corinne Wheeler withdrew a total of £6,946 during the year. At the end of the year the amount due to her was £40,773 (1998: £44,309).

The loans with directors attract interest at a rate set by the directors, usually 2.5% above the base rate. The interest is credited net to the current accounts.

**PAUL WHEELER LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JANUARY 1999**

**15. RELATED PARTY TRANSACTIONS**

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8 other than those with directors noted above.

**16. SHARE CAPITAL****Authorised share capital:**

	1999 £	1998 £
2,000 Ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>

**Allotted, called up and fully paid:**

	1999 £	1998 £
Ordinary share capital	<u>1,000</u>	<u>1,000</u>

**17. PROFIT AND LOSS ACCOUNT**

	1999 £	1998 £
Balance brought forward	78,136	66,780
Retained profit for the financial year	<u>28,120</u>	<u>11,356</u>
Balance carried forward	<u>106,256</u>	<u>78,136</u>

**18. PENSION COMMITMENTS**

The company had no pension commitments at 31 January 1999, apart from those funded externally through a life assurance company. All pension costs are charged directly to the profit and loss account.

**PAUL WHEELER LIMITED**  
**MANAGEMENT INFORMATION**  
**YEAR ENDED 31 JANUARY 1999**

**The following pages do not form part of the statutory financial statements  
which are the subject of the auditors' report on page 3.**