

1419 & 32/17

NIJKAR AND TOZER LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1984

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REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 31 March 1984.

1. Principal activities

The company is principally engaged in the trade of pharmaceutical chemists.

The directors do not expect there to be any significant developments in the business of the company in the foreseeable future.

2. Results and dividends

In the opinion of the directors the state of the company at the Balance Sheet date was satisfactory.

The profit for the year after taxation amounted to £5,721.

The directors do not recommend payment of a dividend and the profit has therefore been retained.

3. Directors

The directors in office at the end of the year are listed below. All served on the Board throughout the year.

Mr. A.F. Tozer retires by rotation and being eligible offers himself for re-election.

The interests of the directors in the ordinary shares of the company at 1 April 1983 and at 31 March 1984, as recorded in the register maintained by the company in accordance with the provisions of the Companies Act 1967, were as follows

	1984 and 1983
M.S. Nijkar	500
A.F. Tozer	400
P.A. Leppard	100

4. Fixed assets

The principal items of capital expenditure were fixtures of £5,758, motor vehicles of £6,500 and freehold property £32,822. The net book amount of fixed assets sold during the year was £1,142.

5. Auditors

Barter Durgan, Chartered Accountants, offer themselves for re-appointment as auditors in accordance with section 14(1) of the Companies Act 1976.

Registered Office
86 Bedhampton Road
Havant
Hants

By order of the Board

A.F. TOZER
Director

10 December 1984

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REPORT OF THE AUDITORS
TO THE MEMBERS OF
NIJKAR AND TOZER LIMITED

We have audited the financial statements on pages 3 to 11 in accordance with approved Auditing Standards.

In our opinion the financial statements, which have been prepared under the historical cost convention, give a true and fair view of the state of the company's affairs at 31 March 1984 and of its result and source and application of funds for the year then ended and comply with the Companies Acts 1948 to 1981.

10 Victoria Road South
Southsea
PO5 2DA

10 December 1984

Darter Durgan
CHARTERED ACCOUNTANTS

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1984

	Notes	1984	1983
		£	£
Turnover		499,215	447,575
Cost of sales		<u>374,147</u>	<u>334,707</u>
Gross contribution		125,068	112,868
Staff costs	1	89,745	83,211
Depreciation		4,471	3,016
Auditors' remuneration		1,975	1,400
Other operating charges		<u>22,898</u>	<u>19,764</u>
		<u>119,089</u>	<u>107,391</u>
		5,979	5,477
Income from investments	2	<u>3,721</u>	<u>2,220</u>
		9,700	7,697
Interest payable	3	<u>3,493</u>	<u>3,115</u>
Profit on ordinary activities before taxation		6,207	4,582
Tax on profit on ordinary activities	4	<u>466</u>	<u>841</u>
		5,721	3,741
Preliminary expenses written off		<u>-</u>	<u>4</u>
Retained profit for the financial year	12	5,721	3,737
Profit and loss account - amount brought forward		<u>19,675</u>	<u>15,938</u>
Profit and loss account - amount carried forward		<u>£ 25,396</u>	<u>£ 19,675</u>

The accounting policies and notes on pages 6 to 11 form part of these financial statements.

BALANCE SHEET AT 31 MARCH 1984

	Notes	1984	1983
		£	£
Fixed assets			
Intangible assets	5	5,500	5,500
Tangible assets	6	71,615	32,206
Investments	7	<u>2,300</u>	<u>100</u>
		79,415	37,806
Current assets			
Stocks		55,297	51,723
Debtors and prepayments	8	78,249	57,393
Cash at bank and in hand		<u>60</u>	<u>70</u>
		133,606	109,186
Current liabilities : falling due within one year	9	<u>129,706</u>	<u>108,251</u>
Net current assets		<u>3,900</u>	<u>935</u>
Total assets less current liabilities		83,315	38,741
Creditors : falling due after one year	9	54,415	16,500
Provisions for liabilities and charges	10	<u>2,504</u>	<u>1,566</u>
		<u>56,919</u>	<u>18,066</u>
		£ 26,396	£ 20,675
Capital and reserves			
Called-up share capital	11	1,000	1,000
Profit and loss account	12	<u>25,396</u>	<u>19,675</u>
		£ 26,396	£ 20,675

Approved by the Board on 10 December 1984.

.....
M.S. NIJKAR
.....
A.F. TOZER
.....
Directors

The accounting policies and notes on pages 6 to 11 form part of these financial statements.

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31 MARCH 1984

	1984		1983	
	£	£	£	£
Source of funds				
From operations				
Profit on ordinary activities before taxation		6,207		4,582
Adjustments for items not involving the movement of funds :				
Depreciation		<u>4,471</u>		<u>3,016</u>
		10,678		7,598
From other sources				
Issue of share capital		-		340
Sale of tangible fixed assets		<u>1,200</u>		<u>-</u>
		11,878		7,938
Application of funds				
Purchase of tangible fixed assets	45,080		4,142	
Purchase of long term investments	2,200		100	
Taxation paid	388		2,517	
Preliminary expenses paid	<u>-</u>		<u>4</u>	
		<u>47,668</u>		<u>6,763</u>
Net (outflow)/inflow of funds		<u>£ (35,790)</u>		<u>£ 1,175</u>
Increase/(decrease) in working capital				
Stocks		3,574		10,865
Debtors and prepayments		20,404		(6,823)
Creditors - less than one year		(3,752)		(7,789)
Creditors - more than one year		<u>(37,915)</u>		<u>1,672</u>
		(17,689)		(2,075)
Net liquid funds				
Cash at bank and in hand	(10)		(1,056)	
Bank overdraft and loans	<u>(18,091)</u>		<u>4,306</u>	
		(18,101)		3,250
Net (decrease)/increase in working capital		<u>£ (35,790)</u>		<u>£ 1,175</u>

ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 1984

The financial statements have been prepared under the historical cost convention.

The principal accounting policies of the company are set out below. The policies have remained unchanged from the previous year.

a) Turnover

Turnover represents the total amount receivable by the company in the ordinary course of business for goods supplied as a principal and for services provided.

b) Investment income

Investment income comprises rents receivable on property letting.

c) Depreciation

Depreciation is calculated on the reducing balance method and aims to write down the cost of all fixed assets (excluding freehold property) over their expected lives.

The rates generally applicable are

Fixtures and equipment	15%
Motor vehicles	25%

The company does not provide for depreciation on freehold buildings, as required by the Statement of Standard Accounting Practice No. 12. The directors are of the opinion that the market value of the property exceeds its book value and therefore do not believe that compliance with the Standard would show a true and fair view.

d) Investments

Investments are included at cost.

e) Stock

Stock is stated at the lower of cost and net realisable value.

Cost means purchase price including carriage, calculated on a first in first out basis.

Net realisable value means estimated selling price (less trade discounts) less all costs to be incurred in marketing, selling and distribution.

f) Deferred taxation

Deferred taxation is the taxation attributable to timing differences between profits computed for taxation purposes and profits as stated in the financial statements.

Provision is made for deferred taxation on the liability method, except to the extent that there is a reasonable probability of the tax not falling due for payment in the foreseeable future. Such tax not provided for is disclosed as a potential liability.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1984

1. Directors and employees

	1984 £	1983 £
Staff costs		
Wages and salaries	82,460	70,565
Social security costs	4,685	4,534
Other pension costs	<u>2,600</u>	<u>2,600</u>
	<u>£ 89,745</u>	<u>£ 77,699</u>

The average number of persons employed by the company was 23 (1983 : 23).

	1984 Number	1983 Number
Directors	3	3
Staff	<u>20</u>	<u>20</u>
	<u>23</u>	<u>23</u>

Staff costs include the following remuneration in respect of directors

	For service as a director 1984	1983
Management emoluments	<u>£ 55,855</u>	<u>£ 53,447</u>

2. Income from investments

	1984	1983
From fixed asset investments		
Rents from land (after deducting outgoings)	<u>£ 3,721</u>	<u>£ 2,220</u>

3. Interest payable

	1984 £	1983 £
Bank loans, overdrafts and other loans		
Repayable within 5 years :		
not by instalments	1,107	369
Repayable wholly or partly in more than 5 years	<u>2,386</u>	<u>2,746</u>
	<u>£ 3,493</u>	<u>£ 3,115</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 1984

4. Tax on profit on ordinary activities

Profit and loss account

The taxation charge based on the result for the year is made up as follows

	1984	1983
	£	£
Taxation repayable	(452)	-
Corporation tax at 30% (1983 38%)	-	388
Deferred taxation	<u>938</u>	<u>453</u>
	<u>£ 486</u>	<u>£ 841</u>

Balance sheet

The amount shown for taxation under current liabilities (see note 9) represents

	1984	1983
Corporation tax payable 1 January 1985	<u>Nil</u>	<u>£ 388</u>

Close company legislation

The company is a close company as defined by section 282 of the Income and Corporation Taxes Act 1970.

The directors are of the opinion that the income of the company does not fall to be apportioned under the provisions of Schedule 16 to the Finance Act 1972.

5. Intangible assets

	Goodwill
Cost at 1 April 1983 and at 31 March 1984	<u>£ 5,500</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 1984

6. Tangible assets

	Total £	Freehold property £	Fixtures and equipment £	Motor vehicles £
Cost				
At 1 April 1983	40,777	21,450	5,453	13,874
Additions	45,080	32,822	5,758	6,500
Disposals	(3,607)	-	-	(3,607)
At 31 March 1984	<u>82,250</u>	<u>54,272</u>	<u>11,211</u>	<u>16,767</u>
Depreciation				
At 1 April 1983	8,571	-	1,826	6,745
Provided in the year	4,529	-	1,407	3,122
On disposals	(2,465)	-	-	(2,465)
At 31 March 1984	<u>10,635</u>	<u>-</u>	<u>3,233</u>	<u>7,402</u>
Net book amount				
At 31 March 1984	<u>£ 71,615</u>	<u>£ 54,272</u>	<u>£ 7,978</u>	<u>£ 9,365</u>
At 31 March 1983	<u>£ 32,206</u>	<u>£ 21,450</u>	<u>£ 3,527</u>	<u>£ 7,129</u>

7. Fixed asset investments

	Cost at 31 March 1983	Additions	Cost at 31 March 1984
Unlisted investments	<u>£ 100</u>	<u>£ 2,200</u>	<u>£ 2,300</u>

The unlisted investment comprises 100 ordinary shares and additional working capital in Octapharm Ltd, a company registered in England. The shares represent 12½% of the allotted share capital of the company.

8. Debtors

	1984 £	1983 £
Trade debtors	69,158	47,881
Other debtors	8,496	7,716
Prepayments and accrued income	<u>595</u>	<u>1,796</u>
	<u>£ 78,249</u>	<u>£ 57,393</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 1984

9. Creditors

	Due within one year		Due after more than one year	
	1984	1983	1984	1983
	£	£	£	£
Bank loans and overdrafts	34,239	16,148	54,415	16,500
Trade creditors	39,421	36,463	-	-
Directors' current accounts	44,517	43,748	-	-
Taxation (see note 4)	-	388	-	-
Other creditors	11,099	11,504	-	-
Accruals	430	-	-	-
	<u>£129,706</u>	<u>£108,251</u>	<u>£54,415</u>	<u>£16,500</u>

The bank loan and overdraft are secured by a first mortgage over the freehold property.

Loans due for repayment after more than one year are made up as follows

	1984	1983	Repayment terms	Final redemption	Rate of interest
	£	£			
Repayable by instalments					
Midland Bank	52,100	16,500	Monthly instalments of £620 and £120	No fixed date	3½% above Midland Bank base rate
"	2,315	-			

10. Provisions for liabilities and charges

	Deferred taxation
	£
At 31 March 1983	1,566
Transfer from profit and loss account	<u>938</u>
At 31 March 1984	<u>£ 2,504</u>

11. Share capital

	1984 and 1983
	Authorised, allotted issued and fully paid
Ordinary shares of £1 each	<u>£ 1,000</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 1984

12. Reserves

	Profit and loss account £
At 31 March 1983	19,675
Retained profit for the year	<u>5,721</u>
At 31 March 1984	<u>£ 25,396</u>

13. Contingent liabilities

	1984	1983
Deferred taxation	<u>£ 5,284</u>	<u>£ 4,335</u>

14. Transactions with directors

Rent of £3,000 (1983 £3,000) was paid to Mr. A.F. Tozer, a director, during the year in respect of freehold premises let by him for the company's use.