

Nijkar and Tozer Limited

**Directors' report and financial
statements**

Registered number 1419432

31 January 2007

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Directors' report

The directors present their directors' report and financial statements for the period ended 31 January 2007

Principal activities

The principal activity of the company comprised the operation of retail pharmacies

Business review

On 10 April 2006, the entire trade and assets of the company were transferred to L Rowland & Company (Retail) Limited, a fellow group company. The company is not expected to trade in the foreseeable future.

Dividends

An interim dividend of £5,095,289 has been paid in the current period (2006 £160,000)

Financial risk management policies

The directors have reviewed the financial risk management objectives and policies of the Company. The Company does not, as a regular policy, enter into hedging instruments, as the directors do not consider there to be any material exposure. It also does not enter into any speculative financial instruments. Appropriate trade terms are negotiated with suppliers and customers, and management reviews these terms and the relationships with suppliers and customers. Any exposure is managed on normal trade terms.

Policy and practice on payment of creditors

Management agrees with suppliers the terms and conditions (including payment terms), on which it will transact with them. The Company policy is to pay suppliers in accordance with these agreed terms. At the period end, there were no trade creditors.

Directors and directors' interests

The directors who held office during the period were as follows

JJ Penn
PJ Smith

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

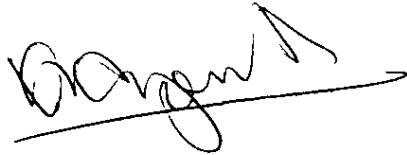
Directors' report *(continued)*

Auditors

During the period Barter Durgan resigned as auditors and KPMG LLP were appointed

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the Company is to be proposed at the forthcoming Annual General Meeting

By order of the board

A handwritten signature in black ink, appearing to read 'DA Goult', with a long horizontal flourish extending to the right.

DA Goult
Secretary

Rivington Road
Whitehouse Industrial Estate
Runcorn
Cheshire
WA7 3DJ

27 November 2007

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 1985. They 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



KPMG LLP

St James' Square
Manchester
M2 6DS
United Kingdom

Independent auditors' report to the members of Nijkar and Tozer Limited

We have audited the financial statements of Nijkar and Tozer Limited for the period ended 31 January 2007 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

Independent auditors' report to the members of Nijkar and Tozer Limited *(continued)*

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 January 2007 and of its profit for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

28 November 2007

Profit and Loss Account
for the period ended 31 January 2007

	<i>Note</i>	Period ended 31 January 2007	Period ended 9 April 2006
		£000	£000
Turnover	2	-	4,387
Cost of sales		-	(3,087)
Gross profit		-	1,300
Administrative expenses		-	(788)
Other operating income		-	112
Operating profit		-	624
Profit on sale of trade and assets	3	4,052	-
Interest receivable and similar income		-	4
Interest payable and similar charges		-	(8)
Profit on ordinary activities before taxation	4-6	4,052	620
Tax on profit on ordinary activities	7	-	(149)
Profit on ordinary activities after taxation		4,052	471

There were no recognised gains or losses in the current or preceding period other than the profit for the period. Consequently, a statement of total recognised gains and losses has not been presented.

All results derive from discontinued activities, which were transferred to L Rowland & Company (Retail) Limited, a fellow group company on 10 April 2006.

Balance Sheet
at 31 January 2007

	<i>Note</i>	31 January 2007	9 April 2006
		£000	£000
Fixed assets			
Intangible assets	<i>9</i>	-	99
Tangible assets	<i>10</i>	-	385
Investments	<i>11</i>	-	182
		<hr/>	<hr/>
		-	666
		<hr/>	<hr/>
Current assets			
Stocks	<i>12</i>	-	243
Debtors	<i>13</i>	42	707
Cash at bank and in hand		-	8
		<hr/>	<hr/>
		42	958
Creditors amounts falling due within one year	<i>14</i>	-	(533)
		<hr/>	<hr/>
Net current assets		42	425
Provisions for liabilities and charges	<i>15</i>	-	(6)
		<hr/>	<hr/>
Net assets		42	1,085
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	<i>16</i>	1	1
Revaluation reserve	<i>17</i>	41	41
Profit and loss account	<i>17</i>	-	1,043
		<hr/>	<hr/>
Shareholders' funds – equity		42	1,085
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 27th November 2007 and were signed on its behalf by



JJ Penn
Director

Reconciliation of movements in shareholders' funds
for the period ending 31 January 2007

	31 January 2007	9 April 2006
	£000	£000
Profit for the period after taxation	4,052	471
Dividends	(5,095)	(160)
	<hr/>	<hr/>
Net (decrease) / increase in shareholders' funds	(1,043)	311
Opening shareholders' funds	1,085	774
	<hr/>	<hr/>
Closing shareholders' funds	42	1,085
	<hr/>	<hr/>

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 financial statements

Basis of preparation

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

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements

As the Company is a wholly owned subsidiary of Phoenix Pharmahandel Atkiengesellschaft & Co KG, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties) The consolidated financial statements of Phoenix Pharmahandel Atkiengesellschaft & Co KG, within which this Company is included, can be obtained from the address given in note 18

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows

Freehold property	-	2% straight line
Leasehold land and building	-	over the period of the lease
Fixtures and fittings	-	15% on reducing balance
Motor vehicles	-	25% on reducing balance

Residual value is calculated on prices prevailing at the date of acquisition

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business, is being written off evenly over its estimated useful life of twenty years

Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

Investments

Investments are included at cost less provision for any permanent diminution in value

Stocks

Stocks are stated at the lower of cost and net realisable value Cost includes all expenditure incurred in the normal course of business in bringing the product or service to its present location and condition Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal Provision is made for obsolete, slow-moving or defective items where appropriate

Notes (continued)

1 Accounting policies (continued)

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date

The Company is part of a UK group and accordingly may utilise the group relief provisions whereby current taxable profits can be offset by current tax losses arising in other group companies in the UK. The group has a policy that payment is made or received from, or surrendered to, other group companies

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes

Dividends

The Company has applied FRS 21 'Events after the Balance sheet Date'. Under this standard, only dividends which have been approved by the balance sheet date are recognised as a liability

2 Segment information

The company's turnover and results were derived wholly from the company's principal activity which is based solely in the United Kingdom

3 Profit on sale of trade and assets

The profit for the period of £4,051,734 was generated by the sale of the Company's trade and assets to the parent company, L Rowland & Company (Retail) Limited

Notes (continued)

4 Profit on ordinary activities before taxation

	Period ended 31 January 2007 £000	Period ended 9 April 2006 £000
Amortisation of intangible assets	-	11
Depreciation of tangible fixed assets		
- owned by the company	-	16
Profit on disposal of fixed assets	-	(133)
<i>Auditors remuneration</i>		
Audit of these financial statements	-	-
	<u> </u>	<u> </u>

The audit fee for the current year has been borne by a fellow group company

5 Staff costs

The aggregate payroll costs were as follows

	Period ended 31 January 2007 £000	Period ended 9 April 2006 £000
Wages and salaries	-	541
Social security costs	-	112
Pension costs	-	40
	<u> </u>	<u> </u>
	-	693
	<u> </u>	<u> </u>

6 Directors' remuneration and transactions

	Period ended 31 January 2007 £000	Period ended 9 April 2006 £000
Emoluments & other benefits	-	164
	<u> </u>	<u> </u>

The directors who served during the year are also directors of other group companies, and are remunerated by those companies. Although they do receive remuneration from other group companies in respect of services to various group companies including the Company, it is not practicable to allocate their remuneration to individual companies in the group. Therefore all remuneration has been disclosed in the financial statements of Phoenix Medical Supplies Limited.

Notes (continued)

7 Tax on profit on ordinary activities

Analysis of charge in period

	Period ended 31 January 2007 £000	Period ended 9 April 2006 £000
UK corporation tax		
UK corporation tax	-	149
	<u> </u>	<u> </u>

The difference between the total current period corporation tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows

	Period ended 31 January 2007 £000	Period ended 9 April 2006 £000
Profit on ordinary activities before tax	4,052	620
	<u> </u>	<u> </u>
Tax on profit on ordinary activities at standard UK corporation tax rate of 30% (2006 30%)	1,216	186
Effects of		
Profit on sale of trade and assets	(1,216)	-
Depreciation in excess of capital allowances	-	(37)
	<u> </u>	<u> </u>
Current tax charge for the period	-	149
	<u> </u>	<u> </u>

8 Dividends

	Period ended 31 January 2007 £000	Period ended 9 April 2006 £000
Ordinary dividend of £5,095 (2006 £160) paid per share	5,095	160
	<u> </u>	<u> </u>

Notes (continued)

9 Intangible assets

	Total £000
Cost	
At 9 April 2006	220
Transfers	(220)
	<hr/>
At 31 January 2007	-
	<hr/>
Amortisation	
At 9 April 2006	121
Transfers	(121)
	<hr/>
At 31 January 2007	-
	<hr/>
Net book value	
At 31 January 2007	-
	<hr/>
At 9 April 2006	99
	<hr/>

10 Tangible fixed assets

	Freehold land and buildings £000	Leasehold land and buildings £000	Fixtures and fittings £000	Motor vehicles £000	Total £000
Cost					
At 9 April 2006	319	49	187	4	559
Transfers	(319)	(49)	(187)	(4)	(559)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 January 2007	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 9 April 2006	20	10	143	1	174
Transfers	(20)	(10)	(143)	(1)	(174)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 January 2007	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 31 January 2007	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 9 April 2006	299	39	44	3	385
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

10 Tangible fixed assets (continued)

Cost or valuation at 9 April 2006 is represented by

	Freehold land & buildings £000
Cost	244
Valuation - 1990	75
	<hr/>
	319
	<hr/>

11 Fixed asset Investments

	Shares in unlisted companies £000
Cost	
At 9 April 2006	182
Transfers	(182)
	<hr/>
At 31 January 2007	-
	<hr/>
Carrying value	
At 31 January 2007	-
	<hr/>
At 9 April 2006	182
	<hr/>

12 Stocks

	31 January 2007 £000	9 April 2006 £000
Finished goods and goods for resale	-	243
	<hr/>	<hr/>

Notes (continued)

13 Debtors

	31 January 2007 £000	9 April 2006 £000
<i>Amounts falling due within one year</i>		
Trade debtors	-	477
VAT debtor	-	40
Amounts due from group companies	-	-
Other debtors	42	43
Prepayments and accrued income	-	15
Directors' current accounts	-	132
	<u>42</u>	<u>707</u>

14 Creditors: amounts falling due within one year

	31 January 2007 £000	9 April 2006 £000
Bank loans and overdrafts	-	187
Trade creditors	-	124
UK corporation tax	-	149
Social security and other taxes	-	19
Other creditors	-	2
Accruals and deferred income	-	52
	<u>-</u>	<u>533</u>

15 Provisions for liabilities and charges

	£000
Deferred taxation	
At 9 April 2006	6
Transferred on hive up of trade and assets	(6)
	<u>-</u>
At 31 January 2007	<u>-</u>

Deferred taxation has been provided in full as follows

	31 January 2007 £000	9 April 2006 £000
Accelerated capital allowances	-	6
	<u>-</u>	<u>6</u>

Notes (continued)

16 Called up share capital

	31 January 2007 £	9 April 2006 £
<i>Authorised</i>		
1,000 ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
<i>Allotted, called up and fully paid</i>		
1,000 ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

17 Reserves

	Revaluation reserve £000	Profit and loss account £000	Total £000
At 9 April 2006	41	1,043	1,084
Retained profit for the year	-	4,052	4,052
Dividends	-	(5,095)	(5,095)
	<u>41</u>	<u>-</u>	<u>41</u>
At 31 January 2007	41	-	41

18 Ultimate parent company and controlling party

The Company is ultimately owned and controlled by Phoenix Pharmahandel Aktiengesellschaft & Co KG, incorporated in Germany, the principal place of business of which is Pfingstweidstrasse 10-12 Mannheim, Germany. The immediate parent company is L Rowland & Company (Retail) Limited.

The largest and smallest group of undertakings, for which group accounts have been drawn up, is that headed by Phoenix Pharmahandel Aktiengesellschaft & Co KG, a company incorporated in Germany that prepares consolidated financial statements which are available to the public from the aforementioned address.