

**Beaumonts Health Stores Limited**  
**Annual Report and Accounts**  
**for the year ended 30 September 2002**

Registered No: 1711016



# **Beaumonts Health Stores Limited**

## **Annual Report and Accounts**

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## Directors' report

The directors present their annual report and audited accounts for the year ended 30 September 2002.

### Principal activity

The principal activity of the company during the year was retailing of health food products.

### Business review

Both the level of business and the year end financial position remain satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

### Directors and directors' interests

The directors who held office during the year and subsequently were as follows:

S Rudolph  
H Kamil  
B Vickers  
R Craddock  
Mrs G Day  
P Aldis  
M Moran (appointed 1 January 2003)

S Rudolph is a director and H Kamil is an officer of NBTY Inc., the ultimate controlling parent company and their interests are disclosed in the accounts of that company.

The interests of the other directors are disclosed in the accounts of Holland & Barrett Holdings Limited.

### Dividends

A dividend of £2,839,000 was paid during the year (2001: £nil).

### Auditors

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 17 April 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors. The company has passed an elective resolution to dispense with the reappointment of auditors at the annual general meeting and accordingly PricewaterhouseCoopers LLP will continue in office.

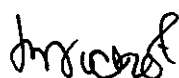
## Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 30 September 2002 and that applicable accounting standards have been followed.

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 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.

By order of the board



**B Vickers**  
**Chief executive**  
16 May 2003

# Independent auditors' report to the members of Beaumonts Health Stores Limited

We have audited the financial statements on pages 4 to 12.

## Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This opinion has been prepared for and only for the company's members in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

## Basis of audit 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 state of the company's affairs at 30 September 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers LLP**  
Chartered Accountants and Registered Auditors  
East Midlands  
16 May 2003

# Beaumonts Health Stores Limited

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## Profit and loss account for the year ended 30 September 2002

	Notes	2002 £'000	2001 £'000
Turnover	1	4,451	4,272
Cost of sales		(1,747)	(1,788)
Gross profit		2,704	2,484
Selling and distribution costs		(1,118)	(1,104)
Operating profit	3	1,586	1,380
Interest paid and similar charges		(4)	-
Profit on ordinary activities before taxation	3	1,582	1,380
Taxation on profit on ordinary activities	4	-	495
Profit on ordinary activities after taxation		1,582	1,875
Dividends		(2,839)	-
(Loss)/profit for the financial year	11	(1,257)	1,875

All the activities of the company are continuing.

The company has no recognised gains and losses other than the results above and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the results above and the results on an unmodified historical cost basis.

# Beaumonts Health Stores Limited

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## Balance sheet at 30 September 2002

	Notes	2002 £'000	2001 £'000
<b>Fixed assets</b>			
Tangible assets	5	230	286
<b>Current assets</b>			
Stocks	6	216	206
Debtors	7	297	1,478
Cash at bank and in hand		<u>2</u>	<u>2</u>
		515	1,686
<b>Creditors: amounts falling due within one year</b>	8	<u>(41)</u>	<u>(7)</u>
<b>Net current assets</b>		474	1,679
<b>Total assets less current liabilities</b>		<u>704</u>	<u>1,965</u>
<b>Provisions for liabilities and charges</b>	9	<u>(20)</u>	<u>(24)</u>
		<u>684</u>	<u>1,941</u>
<b>Capital and reserves</b>			
Called up share capital	10	-	-
Profit and loss account	11	<u>684</u>	<u>1,941</u>
<b>Equity shareholders' funds</b>	12	<u>684</u>	<u>1,941</u>

The accounts on pages 4 to 12 were approved by the board of directors on 16 May 2003 and were signed on its behalf by:



**G Day**  
Finance Director

## Notes to the accounts for the year ended 30 September 2002

### 1 Accounting policies

The following accounting policies have been applied consistently, except where set out below, in dealing with items which are considered material in relation to the company's accounts.

#### **Basis of preparation**

The accounts have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

FRS 19 'Deferred tax' was issued on 7 December 2000 and has been implemented during the year. The adoption of this new standard has had no significant effect.

#### **Turnover**

Turnover represents goods invoiced excluding value added tax. All sales were made in the United Kingdom.

#### **Depreciation**

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

Fixtures, fittings and equipment - 10% to 20% on a straight line basis

#### **Leased assets**

All leases are operating leases and the rental charges are charged to the profit and loss as incurred.

#### **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 year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

#### **Deferred tax**

Deferred tax is provided on 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.



**Notes to the accounts for the year ended  
30 September 2002****1 Accounting policies (continued)****Deferred tax (continued)**

Timing differences are temporary differences between profits as computed for tax purposes and profits as stated in the financial statements which arise because certain items of income and expenditure in the financial statements are dealt with in different years for tax purposes.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no binding contract to dispose of these assets. Deferred tax assets are recognised to the extent that it is regarded more likely than not that they will be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not discounted.

**Pensions**

The Holland & Barrett group operates its own defined contribution pension scheme, which is administered by an independent insurance company. Contributions paid into the scheme are based on the advice of professionally qualified actuaries and are expensed to the profit and loss account.

**Cash flow statement**

The company takes advantage of the exemption in FRS 1 (revised) not to prepare a cash flow statement on the grounds that the company is a wholly owned subsidiary whose ultimate parent prepares consolidated financial statements which are publicly available.

**Related party transactions**

By virtue of the company being a wholly owned subsidiary included in the accounts of a larger group, whose accounts are publicly available, the company is exempt under Financial Reporting Standard 8 from disclosing transactions or balances with entities which are part of the group that qualify as related parties

**Notes to the accounts for the year ended  
30 September 2002**

**2 Staff numbers and costs**

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

	2002 Number	2001 Number
Sales and administration	79	93
	£ '000	£ '000
The aggregate payroll costs of these persons were as follows:		
Wages and salaries	475	448
Social security costs	24	24
Pension costs	3	2
	502	474

**3 Profit on ordinary activities before taxation**

Profit on ordinary activities before taxation is stated after charging:

	2002 £'000	2001 £'000
Depreciation	82	80
Directors' emoluments	-	-
Loss on disposal of fixed assets	(1)	-
Operating lease rentals - land and buildings	332	314

The emoluments of S Rudolph and H Kamil are borne by NBTY Inc. The emoluments of the remaining directors are borne by Holland & Barrett Retail Limited. No recharge is made to the company (2001: £nil).

Auditors remuneration is borne by Holland & Barrett Retail Limited.

**Notes to the accounts for the year ended  
30 September 2002**

**4 Taxation on profit on ordinary activities**

	2002 £'000	2001 £'000
<b>Current tax:</b>		
UK corporation tax at 30% (2001 : 30%) based on profit for the year	4	4
Adjustments in respect of prior years	-	(492)
<b>Current tax charge/(credit) for the year</b>	<u>4</u>	<u>(488)</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(5)	(7)
Adjustment in respect of prior years	1	-
	<u>-</u>	<u>(495)</u>

The tax assessed for the period is different to the standard rate of corporation tax in the UK (30%) as explained below:

	2002 £'000	2001 £'000
Profit on ordinary activities before tax	<u>1,582</u>	<u>1,380</u>
Profit on ordinary activities multiplied by the average rate of UK corporation tax for the year of 30% (2001: 30%)	475	414
<b>Effects of:</b>		
Disallowable expenses	5	22
Depreciation in excess of capital allowances	4	5
Rate differences	(2)	(2)
Group Relief not paid for	(478)	(435)
Prior year adjustments	-	(492)
<b>Current tax charge/(credit) for the year</b>	<u>4</u>	<u>(488)</u>

The overall UK corporation tax charge for 2001 was lower than previous years as a result of the utilisation of group relief for which no payment is made.

**Notes to the accounts for the year ended  
30 September 2002**

**5 Tangible fixed assets**

	<b>Fixtures, fittings &amp; equipment £'000</b>
<b>Cost:</b>	
At 1 October 2001	669
Additions	21
Disposals	(4)
Transfers	6
<b>At 30 September 2002</b>	<b><u>692</u></b>
<b>Depreciation:</b>	
At 1 October 2001	383
Charge for the period	82
Disposals	(3)
<b>At 30 September 2002</b>	<b><u>462</u></b>
<b>Net book value:</b>	
<b>At 30 September 2002</b>	<b><u>230</u></b>
At 30 September 2001	<u>286</u>

The company has £nil (2001: £nil) capital expenditure contracted that has not been provided for in the financial statements.

**6 Stocks**

	<b>2002 £'000</b>	<b>2001 £'000</b>
Goods for resale	<u>216</u>	<u>206</u>

# Beaumonts Health Stores Limited

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## Notes to the accounts for the year ended 30 September 2002

### 7 Debtors

	2002 £'000	2001 £'000
Amounts owed by parent and fellow subsidiary undertakings	-	1,295
Corporation tax receivable	154	41
Prepayments and accrued income	143	142
	<u>297</u>	<u>1,478</u>

### 8 Creditors: amounts falling due within one year

	2002 £'000	2001 £'000
Amounts owed to parent and fellow subsidiary undertakings	39	-
Accruals and deferred income	2	7
	<u>41</u>	<u>7</u>

### 9 Provisions for liabilities and charges

	£'000
Deferred taxation:	
At 1 October 2001	24
Credit for the period	(4)
At 30 September 2002	<u>20</u>

The provision for deferred taxation relates to accelerated capital allowances.

### 10 Share capital

	2002 £'000	2001 £'000
Authorised:		
1,000 ordinary shares of £1 each	<u>1</u>	<u>1</u>
Alotted, called up and fully paid:		
100 ordinary shares of £1 each	<u>-</u>	<u>-</u>

**Notes to the accounts for the year ended  
30 September 2002**

**11 Reserves**

	Profit and loss account £'000
At 1 October 2001	1,941
Loss for the financial year after dividends	(1,257)
At 30 September 2002	<u>684</u>

**12 Reconciliation of movements in equity shareholders' funds**

	2002 £'000	2001 £'000
At 1 October	1,941	66
Profit for the financial year	1,582	1,875
Dividends	(2,839)	-
At 30 September	<u>684</u>	<u>1,941</u>

**13 Commitments under operating leases**

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

	2002 £'000	2001 £'000
<b>Commitments which expire:</b>		
Within one year	112	-
Within two to five years	19	123
After five years	181	173
	<u>312</u>	<u>296</u>

**14 Ultimate parent company**

The immediate parent company is Holland & Barrett Retail Limited. The company's ultimate controlling parent company is NBTY Inc., a company incorporated in the United States of America.

Copies of the ultimate controlling parent's consolidated accounts may be obtained from NBTY Inc., 90 Orville Drive, Bohemia, New York 11716, USA.