

Beaumonts Health Stores Limited

Directors' report and financial statements

30 June 1996

Registered number 1711016



Beaumonts Health Stores Limited

Directors' report and financial statements

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Beaumonts Health Stores Limited

Directors' report

The directors present their report and the audited financial statements for the year ended 30 June 1996.

Principal activity and business review

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

Results and dividends

The results for the year are set out on page 5. The directors do not recommend the payment of a dividend (1995: £Nil). The profit for the financial year of £134,540 is transferred to reserves.

Directors and directors' interests

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

AJ Lloyd
MA Ward
RG Turner
SW Buckell
JC Fellows (appointed 3 July 1995)

Messrs AJ Lloyd, MA Ward, RG Turner and JC Fellows were directors of Lloyds Chemists plc, the ultimate holding company at the year end and their interests are disclosed in the financial statements of that company.

The interests of SW Buckell in the shares of Lloyds Chemists plc were as follows:

	Preference shares of 5p each		SAYE Share Option Scheme Ordinary shares of 5p each		Ordinary shares of 5p each		Executive Share Option Scheme Ordinary shares of 5p each	
	1996	1995	1996	1995	1996	1995	1996	1995
SW Buckell	<u>608</u>	<u>608</u>	<u>7,560</u>	<u>7,560</u>	<u>5,796</u>	<u>5,621</u>	<u>57,000</u>	<u>119,800</u>

No director had any interest in the share capital of any other group undertakings.

Beaumonts Health Stores Limited

Directors' report *(continued)*

Payment of suppliers

It is the company's policy that appropriate terms and conditions for its transactions are agreed with suppliers, that payments are made in accordance with these terms, provided that the supplier has also complied with all terms and conditions, and that no alterations are made to payment terms without prior agreement.

By Order of the Board

MA Ward
Director

A handwritten signature in black ink, appearing to be 'MA Ward', written over the printed name and title.

Britannia House
Centurion Park
Tamworth
Staffordshire
B77 5PZ

10 October 1996

Beaumonts Health Stores Limited

Statement of directors' responsibilities

The following statement, which should be read in conjunction with the report of the auditors set out on page 4, describes the responsibilities of the directors in relation to these financial statements.

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the year and of the profit or loss for the year.

The directors consider that in preparing the financial statements set out on pages 5 to 13, the Company has used appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates. All applicable accounting standards have been followed and the financial statements have been prepared on a going concern basis.

The directors are responsible for ensuring that the Company maintains adequate accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors 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.



2 Cornwall Street
Birmingham B3 2DL

Auditors' report to the members of Beaumonts Health Stores Limited

We have audited the financial statements on pages 5 to 13.

Respective responsibilities of directors and auditors

As described on page 3 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 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 mis-statement, 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 as at 30 June 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

HPMB

KPMG
Chartered Accountants
Registered Auditors

10 October 1996

Beaumonts Health Stores Limited

Profit and loss account for the year ended 30 June 1996

		Continuing operations	
	Note	30 June 1996 £	30 June 1995 £
Turnover	<i>1</i>	2,237,842	1,712,212
Cost of sales		(1,145,530)	(1,008,199)
		<hr/>	<hr/>
Gross profit		1,092,312	704,013
Distribution costs		(786,019)	(598,154)
Administrative expenses		(75,000)	(68,936)
Other operating income		-	1,293
Loss on disposal of fixed assets		(45,986)	-
		<hr/>	<hr/>
Operating profit and profit on ordinary activities before taxation	<i>3</i>	185,307	38,216
Tax on profit/(loss) on ordinary activities	<i>5</i>	(50,767)	(4,716)
		<hr/>	<hr/>
Profit on ordinary activities after taxation and retained profit for the financial year	<i>12</i>	134,540	33,500
		<hr/>	<hr/>

A statement of movements on reserves is given in note 12 to the financial statements.

Beaumonts Health Stores Limited

Balance sheet at 30 June 1996

	Note	£	1996 £	£	1995 £
Fixed assets					
Tangible assets	6		466,950		259,475
Current assets					
Stocks	7	189,408		236,272	
Debtors	8	170,234		134,983	
Cash at bank and in hand		1,653		1,365	
			<u>361,295</u>	<u>372,620</u>	
Creditors: amounts falling due within one year	9	(771,888)		(740,558)	
Net current liabilities			<u>(410,593)</u>		<u>(367,938)</u>
Total assets less current liabilities			56,357		(108,463)
Provisions for liabilities and charges			<u>(30,280)</u>		<u>-</u>
Net assets/(liabilities)			<u>26,077</u>		<u>(108,463)</u>
Capital and reserves					
Called up share capital	11		100		100
Goodwill write-off reserve	12		(36,400)		(36,400)
Profit and loss account	12		62,377		(72,163)
Total equity shareholders' funds			<u>26,077</u>		<u>(108,463)</u>

These financial statements were approved by the board of directors on 10 October 1996 and were signed on its behalf by:

MA Ward
Director

Beaumonts Health Stores Limited

Statement of total recognised gains and losses *for the year ended 30 June 1996*

During the year ended 30 June 1996 there were no recognised gains or losses other than the profit for the financial year of £134,540 (1995: profit of £33,500).

Historical cost profits *for the year ended 30 June 1996*

There is no difference between the historical cost profit on ordinary activities before taxation and that reported in the profit and loss account for the years ended 30 June 1996 or 30 June 1995.

Reconciliation of movements in shareholders' funds *for the year ended 30 June 1996*

	30 June 1996 £	30 June 1995 £
Profit for the financial period	134,540	33,500
Net movement in shareholders' funds	134,540	33,500
Opening shareholders' funds at 1 July 1995	(108,463)	(141,963)
Closing shareholders' funds at 30 June 1996	26,077	(108,463)

Beaumonts Health Stores Limited

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 company's financial statements:

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards and on the basis of continuing support from Lloyds Chemists plc.

The company is a wholly owned subsidiary of Lloyds Chemists plc which is established under the law of a member state of the European Community. Lloyds Chemists plc publishes consolidated financial statements including a consolidated cash flow statement which includes the results of Beaumonts Health Stores Limited and consequently, in accordance with Financial Reporting Standard Number 1, no cash flow statement is included in these financial statements.

Turnover

Turnover represents cash and credit sales excluding value added tax. All sales were made in the United Kingdom.

Depreciation and amortisation

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

Short leasehold property	- period of the lease
Motor vehicles	- 25 % on a reducing balance
Fixtures, fittings and equipment	- 10 %-20 % on a straight line basis

Leased assets

Assets used by the company which have been funded through finance leases or similar hire purchase contracts are recorded as tangible fixed assets and are depreciated over their estimated useful lives. Future lease obligations, net of finance charges, are included in creditors. Rentals payable are apportioned between the finance element which is charged to the profit and loss account and the capital element which reduces outstanding lease obligations.

All other leases are operating leases and the rental charges are taken to the profit and loss account over the life of the lease.

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. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Beaumonts Health Stores Limited

Notes (continued)

1 Accounting policies (continued)

Pensions

The company is part of the defined contribution pension scheme operated by the Lloyds Chemists Group. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the company to the scheme. Details of the scheme are set out in the Lloyds Chemists plc group financial statements.

Goodwill

Goodwill arising on the acquisition of businesses is written off immediately to reserves.

2 Staff numbers and costs

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

	30 June 1996 Number	30 June 1995 Number
Sales and administration	52	54
The aggregate payroll costs of these persons were as follows:	£	£
Wages and salaries	284,084	249,810
Social security costs	16,541	13,253
	<u>300,625</u>	<u>263,063</u>

3 Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after charging the following:

	30 June 1996 £	30 June 1995 £
Directors' remuneration	-	-
Depreciation of owned tangible fixed assets	50,138	19,611
Payments under operating leases:		
Land and buildings	273,612	166,250
Auditors' remuneration	-	-
	<u>-</u>	<u>-</u>

Beaumonts Health Stores Limited

Notes (continued)

4 Directors' emoluments

Excluding pension contributions, the emoluments of the current chairman were £Nil and those of the highest paid director and previous chairman were £Nil (1995: £Nil). The emoluments of the directors were within the following ranges:

	30 June 1996 Number	30 June 1995 Number
£0 - £5,000	<u>5</u>	<u>5</u>

5 Tax on profit on ordinary activities

	30 June 1996 £	30 June 1995 £
Taxation based on the profit for the financial year:		
<i>Current year:</i>		
Corporation tax	38,615	11,365
Deferred tax	<u>19,839</u>	<u>-</u>
	58,454	11,365
<i>Prior year:</i>		
Corporation tax	(18,128)	(6,649)
Deferred tax	<u>10,441</u>	<u>-</u>
	<u>50,767</u>	<u>4,716</u>

Beaumonts Health Stores Limited

Notes (continued)

6 Tangible fixed assets

	Short leasehold properties £	Motor vehicles £	Fixtures, fittings and equipment £	Total £
Cost or valuation				
At 1 July 1995	62,444	41,227	393,361	497,032
Additions	-	-	183,902	183,902
Group transfers	-	-	73,711	73,711
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 1996	62,444	41,227	650,974	754,645
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 July 1995	62,444	31,750	143,363	237,557
Charge for the year	-	9,477	40,661	50,138
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 1996	62,444	41,227	184,024	287,695
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 30 June 1996	-	-	466,950	466,950
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 1995	-	9,477	249,998	259,475
	<hr/>	<hr/>	<hr/>	<hr/>

7 Stocks

	1996 £	1995 £
Goods for resale	189,408	236,272
	<hr/>	<hr/>

8 Debtors

	1996 £	1995 £
Amounts owed by parent undertakings and fellow subsidiary undertakings	36,734	-
Corporation tax recoverable	-	10,577
Prepayments and accrued income	133,500	124,406
	<hr/>	<hr/>
	170,234	134,983
	<hr/>	<hr/>

Beaumonts Health Stores Limited

Notes (continued)

9 Creditors: amounts falling due within one year

	1996 £	1995 £
Amounts owed to parent undertakings and fellow subsidiary undertakings	726,519	711,428
Corporation tax	38,615	11,365
Accruals and deferred income	6,754	17,765
	<u>771,888</u>	<u>740,558</u>

10 Provisions for liabilities and charges

	Deferred taxation £
At 1 July 1995	-
Transfer from profit and loss account	<u>30,280</u>
At 30 June 1996	<u>30,280</u>

The amounts provided for deferred taxation and the amounts unprovided, calculated under the liability method at 33%, are set out below:

	1996		1995	
	Provided £	Unprovided £	Provided £	Unprovided £
Accelerated capital allowances	30,280	-	-	11,086
Losses carried forward	-	-	-	(2,289)
	<u>30,280</u>	<u>-</u>	<u>-</u>	<u>8,797</u>

11 Share capital

	1996 £	1995 £
Authorised:		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid:		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

Beaumonts Health Stores Limited

Notes (continued)

12 Reserves

	Goodwill write off reserve £	Profit and loss account £
At 1 July 1995	(36,400)	(72,163)
Retained profit for the financial year	-	134,540
Transfer to profit and loss account	-	-
	<hr/>	<hr/>
At 30 June 1996	(36,400)	62,377
	<hr/>	<hr/>

13 Commitments under operating leases

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

	1996 £	1995 £
Commitments which expire:		
Between two and five years	46,035	9,000
After five years	87,537	157,250
	<hr/>	<hr/>
	133,572	166,250
	<hr/>	<hr/>

14 Capital commitments

The company had no capital commitments at 30 June 1996 (1995: £Nil).

15 Ultimate holding company

The ultimate holding company is Lloyds Chemists plc, which is registered in England and Wales.

The results of the company are included within the group financial statements of Lloyds Chemists plc but are not included within any other group financial statements.

Copies of the group financial statements may be obtained from Britannia House, Centurion Park, Tamworth, Staffordshire, B77 5PZ.