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**P & A J CATTEE**  
**(CHEMISTS) LIMITED**

**CONSOLIDATED**  
**FINANCIAL STATEMENTS**

**YEAR ENDED 31 OCTOBER 1999**

**Company Number: 1768840**

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**P & A J CATTEE (CHEMISTS) LIMITED****Directors**

P Cattee  
Mrs A J Cattee

**Secretary and Registered Office**

Mrs A J Cattee

Sycamore House  
Smeckley Wood Close  
Sheepbridge Trading Estate  
CHESTERFIELD  
S41 9PZ

**Bankers**

National Westminster Bank plc  
Giro Bank plc

**Auditors**

Barber Harrison & Platt  
Chartered Accountants and Registered Auditors  
57/59 Saltergate  
CHESTERFIELD  
S40 1UL

**P & A J CATTEE (CHEMISTS) LIMITED****DIRECTORS' REPORT**

The directors present their report with the audited financial statements for the year ended 31 October 1999.

**Review of Activities and Future Developments**

The principal activity of the company is that of retail pharmacists.

The directors consider both the level of business and the year end financial position to be satisfactory and expect that profitability will be maintained in the future.

**Results and Dividends**

The trading results are disclosed in the profit and loss account on page 5.

Dividends of £Nil were paid in the year (1998: £Nil). Retained profits for the financial year of £551,515 will be transferred to reserves.

**Fixed Assets**

Movements during the year in fixed assets are reflected in notes 11 and 12 to the accounts on page 14.

**Directors and Directors' Interests**

The directors of the company during the year, together with their shareholdings at the beginning and end of the year, were as follows:-

	<u>Ordinary shares of £1 each</u>	
	<u>1999</u>	<u>1998</u>
P Cattee	131,503	131,503
Mrs A J Cattee	131,503	131,503
	<u>          </u>	<u>          </u>

Mr P Cattee retires and being eligible offers himself for re-election.

**Year 2000**

The directors have considered whether the company's operations would be adversely affected by malfunctions in computer or other equipment arising from errors in processing dates in the year 2000 and beyond.

No part of the company's current operations are critically dependent on computer or other equipment which could be affected by year 2000 problems. The 1 January 2000 has now passed without any significant impact being apparent.

**P & A J CATTEE (CHEMISTS) LIMITED****DIRECTORS' REPORT - continued****Directors' Responsibility for the Financial Statements**

Company law requires the directors to prepare financial statements for each financial period which 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 those financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

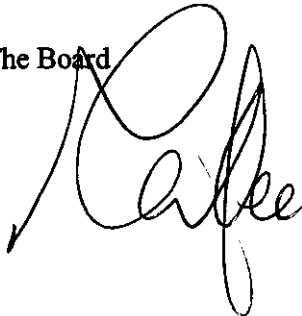
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Auditors**

The auditors, Barber Harrison & Platt have expressed their willingness to continue in office, subject to the approval of members in general meeting.

By Order Of The Board

P CATTEE  
Director



Chesterfield  
12 June 2000

**AUDITORS' REPORT**

To the members of P & A J CATTEE (CHEMISTS) LIMITED.

We have audited the financial statements on pages 5 to 20 which have been prepared under the historical cost convention and the accounting policies set out on pages 9 and 10.

**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.

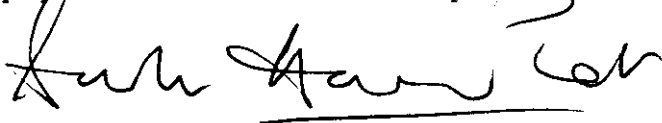
**Basis of opinion**

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 whether the accounting policies are appropriate to the group'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 and group's affairs at 31 October 1999 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**BARBER HARRISON & PLATT**

Chartered Accountants and  
Registered Auditors

Chesterfield  
12 June 2000

**P & A J CATTEE (CHEMISTS) LIMITED****CONSOLIDATED PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 OCTOBER 1999**

	<u>Note</u>	<u>Group</u> <u>1999</u>	<u>Group</u> <u>1998</u>
		£	£
<b>Turnover - continuing activities</b>	(1)	<b>18,205,229</b>	<b>17,255,267</b>
<b>Cost of sales</b>		<b>15,117,280</b>	<b>14,967,045</b>
<b>Gross profit</b>		<b>3,087,949</b>	<b>2,288,222</b>
<b>Administrative expenses</b>		<b>1,715,885</b>	<b>939,915</b>
<b>Operating profit</b>	(2)	<b>1,372,064</b>	<b>1,348,307</b>
<b>Interest receivable and other income</b>	(3)	<b>32,996</b>	<b>12,931</b>
<b>Interest payable and similar charges</b>	(4)	<b>(453,622)</b>	<b>(609,752)</b>
		<b>951,438</b>	<b>751,486</b>
<b>Exceptional item</b>	(5)	<b>-</b>	<b>(167,984)</b>
<b>Profit on ordinary activities before taxation</b>		<b>951,438</b>	<b>583,502</b>
<b>Tax on profit on ordinary activities</b>	(9)	<b>399,923</b>	<b>277,051</b>
<b>Profit for the financial year</b>		<b>551,515</b>	<b>306,451</b>
<b>Dealt with as follows:-</b>			
<b>Retained in the business</b>	(19)	<b>551,515</b>	<b>306,451</b>

There are no recognised gains or losses in 1999 or 1998 other than the profit for the year.

**P & A J CATTEE (CHEMISTS) LIMITED****CONSOLIDATED BALANCE SHEET****AS AT 31 OCTOBER 1999**

	<u>Note</u>	<u>Group</u> <u>1999</u> £	<u>1998</u> £
<b>Assets employed:</b>			
<b>Fixed assets</b>			
Tangible assets	(11)	1,436,615	1,244,858
Intangible assets	(12)	5,302,525	5,935,587
		<hr/> 6,739,140	<hr/> 7,180,445
<b>Current assets</b>			
Stock	(14)	1,632,113	1,692,899
Debtors	(15)	2,033,435	1,909,071
Investments	(16)	167,180	152,625
Cash at bank and in hand		295,465	523,161
		<hr/> 4,128,193	<hr/> 4,277,756
<b>Creditors: Amounts falling due within one year</b>	(17a)	<hr/> 3,833,355	<hr/> 4,098,854
<b>Net current assets</b>		<hr/> 294,838	<hr/> 178,902
<b>Total assets less current liabilities</b>		<hr/> 7,033,978	<hr/> 7,359,347
<b>Creditors: Amounts falling due after more than one year</b>	(17b)	<hr/> 4,540,253	<hr/> 5,417,137
<b>Net assets</b>		<hr/> 2,493,725	<hr/> 1,942,210
<b>Capital and reserves</b>			
Called up share capital	(18)	263,006	263,006
Profit and loss account	(19)	2,230,719	1,679,204
<b>Equity shareholders' funds</b>	(19)	<hr/> 2,493,725	<hr/> 1,942,210

The accounts on pages 5 to 20 were approved by the Board of Directors on 12 June 2000 and are signed on its behalf by:-



P CATTEE

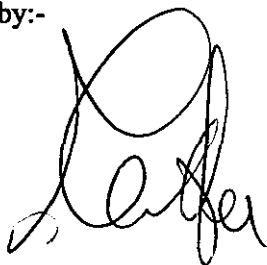
Director

**P & A J CATTEE (CHEMISTS) LIMITED****COMPANY BALANCE SHEET****AS AT 31 OCTOBER 1999**

		<u>Company</u>	
	<u>Note</u>	<u>1999</u> £	<u>1998</u> £
<b>Assets employed:</b>			
<b>Fixed assets</b>			
Tangible assets	(11)	1,436,615	1,244,858
Intangible assets	(12)	5,302,525	5,935,587
Investment in subsidiary undertakings	(13)	33,680	33,680
		<hr/>	<hr/>
		6,772,820	7,214,125
<b>Current assets</b>			
Stock	(14)	1,632,113	1,692,899
Debtors	(15)	2,033,435	1,906,618
Investments	(16)	167,180	152,625
Cash at bank and in hand		295,465	523,161
		<hr/>	<hr/>
		4,128,193	4,275,303
<b>Creditors: Amounts falling due within one year</b>			
	(17a)	3,867,264	4,418,531
		<hr/>	<hr/>
<b>Net current (liabilities)</b>		260,929	(143,228)
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		7,033,749	7,070,897
<b>Creditors: Amounts falling due after more than one year</b>			
	(17b)	4,540,253	5,417,137
		<hr/>	<hr/>
<b>Net assets</b>		2,493,496	1,653,760
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	(18)	263,006	263,006
Profit and loss account	(19)	2,230,490	1,390,754
		<hr/>	<hr/>
<b>Equity shareholders' funds</b>	(19)	2,493,496	1,653,760
		<hr/>	<hr/>

The accounts on pages 5 to 20 were approved by the Board of Directors on 12 June 2000 and are signed on its behalf by:-

P CATTEE



Director



**P & A J CATTEE (CHEMISTS) LIMITED****CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 OCTOBER 1999**

	<u>Note</u>	<div> <div>Group</div> <div>1999</div> <div>£                      £</div> </div>	<div> <div>Group</div> <div>1998</div> <div>£</div> </div>
<b>Net cash inflow from operating activities</b>	(22)	2,158,862	1,890,944
<b>Returns on investments and servicing of finance</b>			
Interest received		18,441	-
Investment income received		14,555	12,931
Interest paid		(453,622)	(609,752)
<b>Net cash outflow from returns on investments and servicing of finance</b>		(420,626)	(596,821)
<b>Taxation</b>			
Corporation tax paid		(282,387)	(259,546)
<b>Capital expenditure and financial investment</b>			
Sale of assets		33,999	2,153
Payments to acquire tangible fixed assets		(320,700)	(93,012)
Sales of intangible fixed assets		250,000	-
Purchase of current asset investment		(14,555)	(12,931)
		(51,256)	(103,790)
<b>Acquisitions</b>		-	-
<b>Financing</b>			
Decrease in debt	(23)	(777,649)	(729,187)
<b>Increase in cash</b>	(24)	626,944	201,600

**P & A J CATTEE (CHEMISTS) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 OCTOBER 1999****1. Accounting policies****(a) Basis of preparation**

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

**(b) Basis of consolidation**

The group financial statements consolidate the financial statements of P & A J Cattee (Chemists) Ltd and all its subsidiary undertakings drawn up to 31 October 1999.

No profit and loss account is presented for P & A J Cattee (Chemists) Ltd as permitted by S.230 of the Companies Act 1985.

**(c) Turnover**

Turnover represents the value of goods sold and services provided after deducting value added tax and discounts allowed. The turnover and pre-tax profit are all attributable to the principal activity.

The turnover was achieved in the United Kingdom.

**(d) Depreciation**

Depreciation of fixed assets is provided at rates estimated to write off each asset over the term of its useful life.

The annual rates used are:-

Leases	over the period of lease
Motor vehicles	25% reducing balance
Fixtures and fittings	10% of cost
Computer equipment	25% of cost

It is the group's policy to maintain its freehold and long leasehold properties in good repair. Consequently, the directors consider the lives of the properties to be so long that there is no significant annual depreciation. No provision for depreciation on freehold and long leasehold properties has therefore been made in the accounts.

**P & A J CATTEE (CHEMISTS) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued****FOR THE YEAR ENDED 31 OCTOBER 1999****1. Accounting policies - continued****(e) Goodwill**

Purchased goodwill is amortised over its estimated useful life.

Following the introduction of FRS10, the economic useful life of goodwill has been reviewed and revised to 20 years (1998 – 30 years).

The effect on the financial statements of this revision has been to increase the amortisation charge in the accounts by £160,829.

**(f) Stock**

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

**(g) Deferred taxation**

Provision is made for deferred taxation, using the liability method, on all timing differences, to the extent that it is probable that a liability or asset will crystallise in the foreseeable future.

**(h) Defined contributions pension schemes**

The group operates defined contribution pension schemes. The assets of the schemes are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable by the group to the funds.

**(i) Leasing and hire purchase commitments**

Assets obtained under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

**P & A J CATTEE (CHEMISTS) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued****FOR THE YEAR ENDED 31 OCTOBER 1999**

	£	£
<b>2. Operating profit is after charging:</b>		
Auditors' remuneration - audit work	6,500	7,500
- non audit work	8,200	4,300
Depreciation and amortisation		
- owned assets	471,267	301,743
- leased assets	11,680	3,338
(Profit)/loss on disposal of fixed assets	(7,357)	715
Loss on disposal of goodwill	2,416	-
	<u>          </u>	<u>          </u>
<b>3. Interest receivable and similar income</b>		
Interest received	18,441	-
Dividends on current asset investments	14,555	12,931
	<u>          </u>	<u>          </u>
	32,996	12,931
	<u>          </u>	<u>          </u>
	<u>Group</u>	<u>Group</u>
	<u>1999</u>	<u>1998</u>
<b>4. Interest payable</b>	£	£
On bank loans, overdrafts and hire purchase accounts	422,893	580,314
On other loans	30,729	29,438
	<u>          </u>	<u>          </u>
	453,622	609,752
	<u>          </u>	<u>          </u>

**5. Exceptional item**

During 1998, a lease on one of the group's trading premises was not renewed, resulting in the closure of this outlet.

The loss on disposal of goodwill relating to these premises amounted to £167,984.

**P & A J CATTEE (CHEMISTS) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued****FOR THE YEAR ENDED 31 OCTOBER 1999**

	<b><u>Group</u></b> <b><u>1999</u></b> <b>£</b>	<b><u>Group</u></b> <b><u>1998</u></b> <b>£</b>
<b>6. Directors' remuneration</b>		
Aggregate emoluments	462,176	66,425
Contributions to money purchase pension schemes	200,000	-
	<u>662,176</u>	<u>66,425</u>
 <b>Including highest paid director</b>		
Emoluments	243,429	
Contributions to money purchase pension schemes	100,000	
	<u>343,429</u>	

Both of the directors are accruing benefits under a defined contribution pension scheme operated by the group.

	<b><u>Group</u></b> <b><u>1999</u></b> <b>£</b>	<b><u>Group</u></b> <b><u>1998</u></b> <b>£</b>
<b>7. Employees</b>		
(i) The average number of employees during the year was:	<b><u>No.</u></b>	<b><u>No.</u></b>
Dispensing and retailing	178	215
Administration	7	6
	<u>185</u>	<u>221</u>
 (ii) Staff costs during the year amounted to:	<b>£</b>	<b>£</b>
Wages and salaries	2,331,691	1,856,283
Social security costs	189,464	134,679
Other pension costs	239,446	32,293
	<u>2,760,601</u>	<u>2,023,255</u>

**P & A J CATTEE (CHEMISTS) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued****FOR THE YEAR ENDED 31 OCTOBER 1999****8. Pension contributions**

The group operates defined contribution pension schemes, the assets of which are held separately from those of the group in independently administered funds.

The pension charge for the year was £239,446 (1998: £32,293).

The amount owed to the schemes at 31 October 1999 was £6,347 (1998: £11,653).

**9. Taxation**

	<u>1999</u> £	<u>1998</u> £
Corporation tax based on the results for the year at 30.4% (1998: 31%)	400,000	282,464
Over/under provision re previous year	(77)	(5,413)
	<u>399,923</u>	<u>277,051</u>

**10. Profit attributable to the parent undertaking**

The profit dealt with in the financial statements of P & A J Cattee (Chemists) Ltd was £839,736. (1998: £161,738).

**P & A J CATTEE (CHEMISTS) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued****FOR THE YEAR ENDED 31 OCTOBER 1999****11. Fixed assets - Tangible - Group and Company**

	<b>Freehold Property £</b>	<b>Long Leasehold Property £</b>	<b>Short Leasehold Property £</b>	<b>Fixtures and Fittings £</b>	<b>Motor Vehicles £</b>	<b>Total £</b>
<b>Cost</b>						
At 1.11.98	848,018	124,000	45,190	536,099	89,686	1,642,993
Additions during year	32,922	6,750	-	132,324	148,704	320,700
Disposals	-	-	-	(40,000)	(27,995)	(67,995)
<b>At 31.10.99</b>	<b>880,940</b>	<b>130,750</b>	<b>45,190</b>	<b>628,423</b>	<b>210,395</b>	<b>1,895,698</b>
<b>Depreciation</b>						
At 1.11.98	-	-	41,651	309,024	47,460	398,135
Disposal	-	-	-	(20,001)	(21,352)	(41,353)
Provided during year	-	-	487	74,256	27,558	102,301
<b>At 31.10.99</b>	<b>-</b>	<b>-</b>	<b>42,138</b>	<b>363,279</b>	<b>53,666</b>	<b>459,083</b>
<b>Net book value</b>						
<b>At 31.10.99</b>	<b>880,940</b>	<b>130,750</b>	<b>3,052</b>	<b>265,144</b>	<b>156,729</b>	<b>1,436,615</b>
At 31.10.98	848,018	124,000	3,539	227,075	47,226	1,244,858

The net book amount of motor vehicles includes £81,763 (1998: £10,013) in respect of assets held under hire purchase contracts, the depreciation of which is shown in note 2.

**12. Fixed assets - Intangible - Group and Company**

	<b>Goodwill £</b>
<b>Cost</b>	
At 1.11.98	6,968,450
Additions during year	-
Disposal	(373,950)
<b>At 31.10.99</b>	<b>6,594,500</b>
<b>Amortisation</b>	
At 1.11.98	1,032,863
Disposal	(121,534)
Amortised during year	380,646
<b>At 31.10.99</b>	<b>1,291,975</b>
<b>Net book value</b>	
<b>At 31.10.99</b>	<b>5,302,525</b>
At 31.10.98	5,935,587

**P & A J CATTEE (CHEMISTS) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued****FOR THE YEAR ENDED 31 OCTOBER 1999****13. Investments - shares in subsidiary undertakings - Company**

	<u>Cost of shares</u> £	<u>Dividends from subsidiary undertakings</u> £	<u>Total</u> £
At 1 November 1998 and 31 October 1999	5,192,605	(5,158,925)	33,680

The company held all of the issued ordinary share capital of the following subsidiaries at 31 October 1999:-

Duncan Ross Limited  
A Greaves & Son Limited  
B G Glover Limited  
Margaret Broome Limited  
Parks Pharmacy Limited  
Malin Bridge Limited  
A Steeples Limited  
Clinichem Ltd

All of the above companies are registered in England and are non-trading.

All of the company's subsidiaries are included in the consolidated financial statements.

**14. Stock - Group and Company**

	<u>1999</u> £	<u>1998</u> £
Goods for resale	1,632,113	1,692,899

**15. Debtors - all due within one year**

	<u>Group</u>		<u>Company</u>	
	<u>1999</u> £	<u>1998</u> £	<u>1999</u> £	<u>1998</u> £
Trade debtors	1,784,008	1,597,139	1,784,008	1,597,139
Prepayments	57,239	61,642	57,239	61,642
Other debtors	192,188	250,290	192,188	247,837
	<u>2,033,435</u>	<u>1,909,071</u>	<u>2,033,435</u>	<u>1,906,618</u>

**16. Investments**

	<u>Group and Company</u>	
	<u>1999</u> £	<u>1998</u> £
Listed investments	167,180	152,625

The market value of listed investments was £563,840 (1998: £781,644).



**P & A J CATTEE (CHEMISTS) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued****FOR THE YEAR ENDED 31 OCTOBER 1999****17a. Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b><u>1999</u></b>	<b><u>1998</u></b>	<b><u>1999</u></b>	<b><u>1998</u></b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank overdraft	-	854,640	-	-
Bank loans	710,891	694,003	710,891	694,003
Hire purchase account	21,187	1,922	21,187	1,922
Other loans	36,729	36,146	36,729	36,146
Trade creditors	2,319,362	1,899,491	2,319,362	1,861,420
Current corporation tax	400,000	282,464	400,000	237,836
Other creditors	126,552	131,858	126,552	131,858
Other taxes and social security costs	99,008	51,083	99,008	51,083
Accruals	109,688	138,962	109,688	135,159
Directors current account	9,938	8,285	9,938	8,285
Amount due to subsidiary undertakings	-	-	33,909	1,260,819
	<b><u>3,833,355</u></b>	<b><u>4,098,854</u></b>	<b><u>3,867,264</u></b>	<b><u>4,418,531</u></b>

During the year the directors' joint current account was overdrawn, the maximum amount outstanding was £5,799. No interest was attached thereto. This amount was repaid by 31 October 1999.

**17b. Creditors: amounts falling due after more than one year**

	<b>Group and Company</b>	
	<b><u>1999</u></b>	<b><u>1998</u></b>
	<b>£</b>	<b>£</b>
Trade creditor	-	62,500
Bank loans	4,393,335	5,239,498
Other loans	115,139	115,139
Hire purchase account	31,779	-
	<b><u>4,540,253</u></b>	<b><u>5,417,137</u></b>

**17c. Loans**

	<b>Group and Company</b>	
	<b><u>1999</u></b>	<b><u>1998</u></b>
	<b>£</b>	<b>£</b>
Bank and other loans outstanding are repayable as follows:-		
Within one year	747,620	730,149
Between one and two years	700,937	708,510
Between two and five years	2,181,789	2,187,884
Over five years	1,625,748	2,458,243
	<b><u>5,256,094</u></b>	<b><u>6,084,786</u></b>

**P & A J CATTEE (CHEMISTS) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued****FOR THE YEAR ENDED 31 OCTOBER 1999****17c. Loans - continued**

Of the loans repayable in more than 5 years **£1,510,609** are repayable by instalments. The monthly instalments for these loans total **£74,784** including interest.

Bank borrowings are secured by fixed charges over the freehold properties, investments and book debts together with a floating charge over the other assets of the company.

Hire purchase accounts are repayable as follows:-

	<u>1999</u>	<u>1998</u>
	<u>£</u>	<u>£</u>
Within one year	21,187	1,922
One to two years	21,187	-
Two to five years	10,592	-
	<u>52,966</u>	<u>1,922</u>

**18. Share capital**

	<u>1999 and 1998</u>	
	<u>Authorised</u>	<u>Issued, called up and fully paid</u>
	<u>£</u>	<u>£</u>
Ordinary shares of £1 each	263,006	263,006

**19. Equity shareholders' funds**

Company	<u>1999</u>			<u>1998</u>
	<u>Share Capital</u>	<u>Profit &amp; Loss A/c</u>	<u>Total</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
At 1 November 1998	263,006	1,390,754	1,653,760	1,492,022
Profit for the year	-	839,736	839,736	161,738
At 31 October 1999	263,006	2,230,490	2,493,496	1,653,760

Group	<u>1999</u>			<u>1998</u>
	<u>Share Capital</u>	<u>Profit &amp; Loss A/c</u>	<u>Total</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
At 1 November 1998	263,006	1,679,204	1,942,210	1,635,759
Profit for the year	-	551,515	551,515	306,451
At 31 October 1999	263,006	2,230,719	2,493,725	1,942,210

**P & A J CATTEE (CHEMISTS) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued****FOR THE YEAR ENDED 31 OCTOBER 1999****20. Capital commitments**

Capital expenditure contracted for but not provided in the financial statements amounted to £Nil (1998: £84,631).

**21. Contingent liabilities**

As far as the directors are aware there are no contingent liabilities at 31 October 1999 (1998: £Nil).

**22. Reconciliation of operating profit to operating cash flows**

	<b><u>Group</u></b> <b><u>1999</u></b> <b>£</b>	<b><u>Group</u></b> <b><u>1998</u></b> <b>£</b>
Operating profit	1,372,064	1,348,307
Depreciation charges and amortisation	482,947	305,081
(Profit)/loss on disposal of fixed assets	(7,357)	715
Loss on disposal of goodwill	2,416	-
Decrease/(increase) in stocks	60,786	(43,269)
(Increase)/decrease in debtors	(124,364)	115,890
Increase/(decrease) in creditors	372,370	164,220
<b>Net cash inflow from operating activities</b>	<b><u>2,158,862</u></b>	<b><u>1,890,944</u></b>

**23. Financing**

	<b><u>Group</u></b> <b><u>1999</u></b> <b>£</b>	<b><u>Group</u></b> <b><u>1998</u></b> <b>£</b>
Bank loan repayments	(828,693)	(720,028)
New hire purchase obligations	63,644	-
Capital element of hire purchase repayments	(12,600)	(9,159)
<b>Net cash inflow from financing</b>	<b><u>(777,649)</u></b>	<b><u>(729,187)</u></b>

**P & A J CATTEE (CHEMISTS) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued****FOR THE YEAR ENDED 31 OCTOBER 1999****24. Analysis of changes in net debt**

	At 1/10/98 £	Cash (inflows)/ outflows £	Changes £	Other At 31/10/99 £
Cash at bank and in hand	523,161	(227,696)	-	295,465
Overdrafts	(854,640)	854,640	-	-
		626,944		
Debt due within one year	(730,149)	828,693	(846,163)	(747,619)
Debt due after one year	(5,354,637)	-	846,163	(4,508,474)
Hire purchase	(1,922)	12,600	(63,644)	(52,966)
		841,293		
<b>Total</b>	<b>(6,418,187)</b>	<b>1,468,237</b>	<b>(63,644)</b>	<b>(5,013,594)</b>

**25. Reconciliation of net cash flow to movement in net debt**

	<b>Group 1999 £</b>	<b>Group 1998 £</b>
Increase in cash in the year	626,944	201,600
Cash outflow from decrease in debt	841,293	729,187
Change in net debt resulting from cash flow	1,468,237	930,787
New hire purchase obligations	(63,644)	-
Net movement in debt	1,404,593	930,787
Net debt at 1 November 1998	(6,418,187)	(7,348,974)
Net debt at 31 October 1999	(5,013,594)	(6,418,187)

**P & A J CATTEE (CHEMISTS) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued****FOR THE YEAR ENDED 31 OCTOBER 1999****26. Effect of exceptional item on group cashflow**

The exceptional item disclosed in note 5 had no effect on the group's cashflow for the year ended 31 October 1998.

**27. Related parties**

The company is controlled by P and A J Cattee who together own 100% of the issued share capital.

The company occupies premises owned by the P and A J Cattee (Chemists) Limited Directors Pension Scheme under a sub-lease from an unconnected party. Rent paid in the year in respect of this property amounted to £14,250.

Other related party information is given in Note 17(a) to the accounts.