



P. & A. J. CATTEE (CHEMISTS) LTD.

ABBREVIATED FINANCIAL STATEMENTS

31 OCTOBER 1994

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  
  
38 Knivesmithgate  
CHESTERFIELD  
S40 1RQ

BANKERS

National Westminster Bank plc  
National Girobank plc

AUDITORS

Barber, Harrison & Platt, Chartered Accountants and Registered Auditors,  
Chesterfield.

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

DIRECTORS' REPORT

The directors present their report with the audited financial statements for the year ended 31 October 1994.

RESULTS AND DIVIDENDS

The trading results are disclosed in the profit and loss account on page 6.

Dividends of £30,000 were paid in the year (1993: £37,500).

REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENTS

The principal activity during the year was that of pharmacists.

On 18 April 1994 the company acquired B. G. Glover Limited, thereby obtaining two additional chemists shops. With effect from 19 April 1994 the trade of these two shops was transferred into the company together with the net trading assets.

On 9 May 1994 the company acquired A. Greaves & Son Limited, thereby obtaining one additional chemists shop. With effect from 10 May 1994 the trade of the shop was transferred into the company together with the net trading assets.

One further chemist shop was also opened by the company during the year.

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.

FIXED ASSETS

Movements during the year in fixed assets are reflected in note 9 to the accounts on page 11.

DIRECTORS AND DIRECTORS' INTERESTS

The directors during the year and their interest in the share capital of the company were as follows:

	<u>At 31 October 1994</u>	<u>At 31 October 1993</u>
	<u>Ordinary shares</u>	<u>Ordinary shares</u>
P. Cattee	131,503	131,503
Mrs. A. J. Cattee	131,503	131,503

Mrs A. J. Cattee retires at the annual general meeting and being eligible offers herself for re-election.

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 to operate.

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

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

23 May 1995

## AUDITORS' REPORT ON ABBREVIATED ACCOUNTS

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

We have examined the abbreviated accounts on pages 6 to 19 together with the financial statements of P & A J CATTEE (CHEMISTS) LIMITED prepared under section 226 of the Companies Act 1985 for the year ended 31 October 1994.

### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 7 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

### BASIS OF OPINION

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

### OPINION

In our opinion the company is entitled under Sections 246 to 247 of the Companies Act 1985 to the exemptions conferred by Section B of Part III of Schedule 8 to that Act, in respect of the year ended 31 October 1994 and the abbreviated accounts on pages 6 to 19 have been properly prepared in accordance with that Schedule.

### OTHER INFORMATION

We reported, as auditors of P & A J CATTEE (CHEMISTS) LIMITED, to the members on 23 May 1995 on the company's financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31 October 1994 as follows:-

"We have audited the financial statements on pages 5 to 18 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 and 8.

### 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.

AUDITORS' REPORT ON ABBREVIATED ACCOUNTS - continued

OTHER INFORMATION - continued

·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 judgments made by the directors in the preparation of the financial statements, and 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 31 October 1994 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to medium companies

*Barber, Harrison & Platt*

BARBER, HARRISON & PLATT  
Chartered Accountants  
and Registered Auditors

Chesterfield  
23 May 1995

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

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 OCTOBER 1994

	<u>Notes</u>	<u>1994</u>	<u>1993</u>
		£	£
GROSS PROFIT		967,921	791,274
Net Operating Expenses	(2)	469,449	346,738
		-----	-----
OPERATING PROFIT		498,472	444,536
		-----	-----
Continuing operations		431,757	414,718
Acquisitions		66,715	29,818
		-----	-----
TOTAL OPERATING PROFIT		498,472	444,536
Interest payable and similar charges	(3)	208,994	221,194
		-----	-----
		289,478	223,342
Income from shares in group undertakings		17,742	-
Other interest receivable and similar income		10,960	8,089
		-----	-----
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	(4)	318,180	231,431
TAX ON PROFIT ON ORDINARY ACTIVITIES	(7)	101,072	78,839
		-----	-----
PROFIT FOR THE FINANCIAL YEAR		217,108	152,592
		=====	=====
Dealt with as follows:-			
Dividends	(8)	30,000	37,500
Retained profit for the year	(18)	187,108	115,092
		-----	-----
		217,108	152,592
		=====	=====

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses in the year other than the profit for the financial year disclosed above.

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

ABBREVIATED BALANCE SHEET AS AT 31 OCTOBER 1994

	Note	1994		1993
		£	£	£
FIXED ASSETS				
Tangible assets	(9)		763,129	468,619
Intangible assets	(9)		2,623,595	1,876,388
Investment in subsidiary undertaking	(10)		8,000	135,000
Other investments	(11)		-	68,306
			-----	-----
			3,394,724	2,548,313
CURRENT ASSETS				
Stock	(12)	680,251		543,913
Debtors	(13)	1,848,494		1,220,311
Investments	(14)	124,611		-
Cash at bank and in hand		27,363		28,873
			-----	-----
		2,680,719		1,793,097
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	(15a)	2,767,786		1,905,823
			-----	-----
NET CURRENT (LIABILITIES)			(87,067)	(112,726)
			-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES			3,307,657	2,435,587
CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	(15b)		2,652,325	1,964,363
			-----	-----
			655,332	471,224
PROVISIONS FOR LIABILITIES AND CHARGES				
Deferred taxation	(16)		1,000	4,000
			-----	-----
			654,332	467,224
			=====	=====
CAPITAL AND RESERVES				
Called up share capital	(17)		263,006	263,006
Profit and loss account	(18)		391,326	204,218
			-----	-----
SHAREHOLDERS FUNDS	(18)		654,332	467,224
			=====	=====

In preparing these accounts, advantage has been taken of the exemptions conferred by Section 8 of Part III of Schedule 8 of the Companies Act 1985, on the grounds that in the opinion of the directors the company is entitled to the benefit of these exemptions as a medium company.

Signed on behalf of the Board of Directors on 23 May 1995.

P. CATTEE - DIRECTOR



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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 1994

1. ACCOUNTING POLICIES

(a) Basis of Accounts preparation

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future.

The accounts show net current liabilities of £87,067. However, the company meets its day to day working capital requirements through an overdraft facility which in common with all such facilities is repayable on demand. The overdraft at the balance sheet date amounted to £174,745. In view of their relationship with the company's bankers, the directors consider it reasonable to rely on the continuation of the overdraft facility.

Furthermore the company holds listed current asset investments which are included in the accounts at a value of £124,611. These had a market value at 31 October 1994 of £367,230.

In view of the above the directors consider it appropriate to prepare the financial statements on a going concern basis.

(b) 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.

(c) 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:-

Lease	over the period of lease
Goodwill	over 30 years
Fixtures and fittings	10% of cost
Motor vehicles	25% reducing balance

It is the company'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 FINANCIAL STATEMENTS - continued

YEAR ENDED 31 OCTOBER 1994

1. ACCOUNTING POLICIES - continued

(d) Stocks

Stocks are valued at the lower of cost and net realisable value.

(e) Deferred taxation

Deferred taxation is provided on the liability method except where no liability is expected to arise in the foreseeable future. The provision takes account of the differing treatment of depreciation for accounting and taxation purposes.

(f) Defined contributions pension scheme

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

(g) Group Accounts

Group Accounts have not been prepared because the group qualifies as a medium group as defined in S.249 Companies Act 1985.

2. ANALYSIS OF COSTS

In arriving at operating profit, the accounts include the following amounts relating to acquisitions:-

	<u>1994</u>	<u>1993</u>
	£	£
Gross profit	129,546	20,715
Net operating expenses	<u>62,831</u>	<u>9,103</u>

3. INTEREST PAYABLE

	<u>1994</u>	<u>1993</u>
	£	£
On bank loans, overdrafts, hire purchase and loans wholly repayable within five years	53,737	65,916
On bank loans repayable over five years	155,257	155,278
	<u>208,994</u>	<u>221,194</u>

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION  
This is stated after charging/(crediting)

	<u>1994</u>	<u>1993</u>
	£	£
Directors' remuneration	31,357	30,673
Auditors' remuneration	6,000	2,000
Depreciation and amortisation	129,661	105,216
(Profit)/loss on disposal of fixed assets	<u>(1,406)</u>	<u>(1,041)</u>

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

NOTES TO THE FINANCIAL STATEMENTS - continued

YEAR ENDED 31 OCTOBER 1994

5.	EMPLOYEES	<u>1994</u> No.	<u>1993</u> No.
	(i) The average number of employees during the year was:		
	Dispensing and retailing	81	65
	Administration	3	3
		--	--
		84	68
		==	==
	(ii) Staff costs during the year amounted to:	£	£
	Wages and salaries	748,046	616,830
	Social security costs	52,205	43,754
	Other pension costs	6,320	5,954
		-----	-----
		806,571	666,538
		=====	=====
6.	PENSION CONTRIBUTIONS		
	The company operates a defined contributions pension scheme, the assets of which are held separately from these of the company in an independently administered fund.		
	The pension charge for the year was £9,022 (1993: £5,954).		
	The amount owed to the scheme at 31 October 1994 was £Nil (1993: £3,300).		
7.	TAXATION	<u>1994</u> £	<u>1993</u> £
	Corporation tax based on the results for the year at 33% (1993 33%)	101,466	76,663
	Tax on franked investment income	2,258	1,887
	Deferred taxation movement	(3,000)	289
	Over provision re previous year	348	-
		-----	-----
		101,072	78,839
		=====	=====
8.	DIVIDENDS	<u>1994</u> £	<u>1993</u> £
	Dividend paid of 11.406p per share (1993: 14.258p per share)	30,000	37,500
		=====	=====

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

NOTES TO THE FINANCIAL STATEMENTS - continued

YEAR ENDED 31 OCTOBER 1994

9. FIXED ASSETS - TANGIBLES	Freehold Property £	Long Term Leasehold Property £	Short Term Leasehold Property £	Fixtures and Fittings £	Motor Vehicles £	Total £
COST						
At 1.11.93	315,659	-	40,190	225,071	67,930	648,850
Additions						
during year	200,000	64,000	-	51,726	27,995	343,721
Assets taken over	-	-	-	-	-	-
Disposals						
during year	-	-	-	-	(16,465)	(16,465)
At 31.10.94	<u>515,659</u>	<u>64,000</u>	<u>40,190</u>	<u>276,797</u>	<u>79,460</u>	<u>976,106</u>
DEPRECIATION						
At 1.1.93	-	-	40,190	107,615	32,426	180,231
Assets taken over	-	-	-	-	-	-
Disposals during						
year	-	-	-	-	(9,122)	(9,122)
Provided for year	-	-	-	27,680	14,188	41,868
At 31.10.94	<u>-</u>	<u>-</u>	<u>40,190</u>	<u>135,295</u>	<u>37,492</u>	<u>212,977</u>
NET BOOK VALUE						
At 31.10.94	<u>515,659</u>	<u>64,000</u>	<u>-</u>	<u>141,502</u>	<u>41,968</u>	<u>763,129</u>
NET BOOK VALUE						
At 31.10.93	<u>315,659</u>	<u>-</u>	<u>-</u>	<u>117,456</u>	<u>35,504</u>	<u>468,619</u>

Included within motor vehicles are assets with a net book value of £30,963 (1993: £13,289) which are held under hire purchase agreements. The depreciation charge on these assets in the year amounted to £10,321 (1993: £4,430).

FIXED ASSETS - INTANGIBLES	Goodwill £
COST	
At 1.11.93	2,164,061
Additions during year	835,000
At 31.10.94	<u>2,999,061</u>
DEPRECIATION	
At 1.11.93	287,673
Amortised during year	87,793
At 31.10.94	<u>375,466</u>
NET BOOK VALUE	
At 31.10.94	<u>2,623,595</u>
NET BOOK VALUE	
At 31.10.93	<u>1,876,388</u>

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

NOTES TO THE FINANCIAL STATEMENTS - continued

YEAR ENDED 31 OCTOBER 1994

10. INVESTMENTS - SHARES IN GROUP UNDERTAKINGS

	Cost of Shares £	Dividends From Subsidiary Undertakings £	Total £
At 1 November 1993	785,000	650,000	135,000
Acquisitions	1,030,904	-	1,030,904
Dividends proposed in year	-	1,157,904	1,157,904
	-----	-----	-----
At 31 October 1994	1,815,904	1,807,904	8,000
	=====	=====	=====

The subsidiaries of the company at 31 October 1994 were as follows:-

<u>Name of company, country of incorporation and operation, and nature of business</u>	<u>Class of Share</u>	<u>% Held</u>	<u>Aggregate Capital and Reserves</u>	<u>Profit &amp; Loss for the Year*</u>
Duncan Ross Limited England Pharmacists	Ordinary	100%	22,742	112,693
A. Greaves & Son Limited England Pharmacists	Ordinary	100%	2,000	189,624
B. G. Glover Limited England Pharmacists	Ordinary	100%	1,000	745,371

\*Includes profit on transfer of assets to P & A J Cattee (Chemists) Limited.

The aggregate value of the investments of the company in the shares of its subsidiaries calculated by the equity method of valuation is £8,000 (1993: £151,729).

The company acquired the whole of the issued share capital of B G Glover Limited on 18 April 1994 for cash consideration of £812,456. The subsidiary made a profit for the period 1 October 1993 to 18 April 1994 of £18,235 (year to 30 September 1993 loss £327). The trade of B G Glover Limited was "hived-up" into P & A J Cattee (Chemists) Limited with effect from 19 April 1994.

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

NOTES TO THE FINANCIAL STATEMENTS - continued

YEAR ENDED 31 OCTOBER 1994

10. INVESTMENTS - SHARES IN GROUP UNDERTAKINGS - continued

The company acquired the whole of the issued share capital of A Greaves & Son Limited on 9 May 1994 for cash consideration of £218,448. The subsidiary made a profit for the period 1 March 1994 to 9 May 1994 of £774 (year to 28 February 1994 £24,242). The trade of A Greaves & Son Limited was "hived-up" into P & A J Cattee (Chemists) Limited with effect from 10 May 1994.

The assets and liabilities of the acquired subsidiaries are set out below:-

	A Greaves & Son Ltd	B G Glover Ltd			
	Book Value on Acquisition and Fair Value	Book Value on Acquisition	Revaluation	Fair Value	Total Fair Value
	£	£	£	£	£
Tangible fixed assets	-	35,335	78,665	114,000	114,000
Stock	24,825	96,401	-	96,401	121,226
Debtors	55,465	140,102	-	140,102	195,567
Cash at bank	12,286	2,258	-	2,258	14,544
Bank overdraft	-	(97,308)	-	(97,308)	(97,308)
Other creditors	(64,128)	(87,997)	-	(87,997)	(152,125)
	28,448	88,791	78,665	167,456	195,904
Goodwill	190,000			645,000	835,000
Satisfied by cash	218,448			812,456	1,030,904

Dividends totalling £1,157,904 were proposed in the accounts of subsidiaries for the period ended 31 October 1994 which related to the net assets of the subsidiaries on acquisition. These have therefore been deducted from the cost of the investments.

11. OTHER INVESTMENTS

	1994 £
COST	
At 1.11.93	68,306
Additions during the year	56,305
Transferred to current asset investments (note 14)	(124,611)
At 31.10.94	-

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

NOTES TO THE FINANCIAL STATEMENTS - continued

YEAR ENDED 31 OCTOBER 1994

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
12. STOCK		
Goods for resale	680,251	543,913
	<u>          </u>	<u>          </u>
13. DEBTORS: ALL DUE WITHIN ONE YEAR	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
Trade debtors	573,676	440,994
Prepayments	23,399	15,883
Other debtors	75,773	113,434
Proposed dividend from subsidiary undertaking	1,175,646	650,000
	<u>1,848,494</u>	<u>1,220,311</u>
	<u>          </u>	<u>          </u>
14. INVESTMENTS	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
Listed investments	124,611	-
	<u>          </u>	<u>          </u>
The market value of listed investments was £367,230.		
15(a) CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
Bank overdraft	175,055	196,403
Bank loans	316,745	224,907
Hire purchase account	11,442	4,542
Other loans	40,396	45,190
Trade creditors	782,383	615,219
Current corporation tax	101,466	64,808
Other creditors	7,761	23,300
Other taxes and social security costs	58,269	27,803
Accruals	73,171	41,508
*Directors current account	9,441	9,393
Amount due to subsidiary undertaking	1,191,657	652,750
	<u>2,767,786</u>	<u>1,905,823</u>
	<u>          </u>	<u>          </u>

\* During the year the directors joint current account was overdrawn, the maximum amount outstanding was £31,283. No interest was attached thereto. This amount was repaid by 31 October 1994.

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

NOTES TO THE FINANCIAL STATEMENTS - continued

YEAR ENDED 31 OCTOBER 1994

15(b) CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR:	<u>1994</u> £	<u>1993</u> £
Bank loans	2,553,561	1,869,682
Other loans	90,139	90,139
Hire purchase accounts	8,625	4,542
	<u>2,652,325</u>	<u>1,964,363</u>

LOANS

Bank and other loans outstanding are repayable as follows:-

Within one year	357,141	271,248
Between one and two years	340,065	245,156
Between two and five years	986,684	819,091
Over five years	1,316,952	895,573
	<u>3,000,842</u>	<u>2,231,068</u>

Of the loans repayable in more than 5 years, £1,226,812 are repayable by instalments. The monthly instalments for these loans total £36,821 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.

16. DEFERRED TAXATION

	<u>1994</u>		<u>1993</u>	
	<u>Provision</u>	<u>Balance</u>	<u>Provision</u>	<u>Balance</u>
	£	£	£	£
The deferred taxation provision relates to:				
Accelerated capital allowances	8,950	-	11,950	-
Less: Short term timing differences	(7,950)	-	(7,950)	-
	<u>1,000</u>	<u>-</u>	<u>4,000</u>	<u>-</u>

17. SHARE CAPITAL

	<u>Authorised</u>	<u>Allotted</u>
	£	£
Ordinary shares of £1 each	<u>263,006</u>	<u>263,006</u>



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

NOTES TO THE FINANCIAL STATEMENTS - continued

YEAR ENDED 31 OCTOBER 1994

18. SHAREHOLDERS FUNDS

	<u>1994</u>			<u>1993</u>
	<u>Share</u>	<u>Profit &amp;</u>	<u>Total</u>	<u>Total</u>
	<u>Capital</u>	<u>Loss A/c</u>	<u>£</u>	<u>£</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
1 November 1993	263,006	204,218	467,224	352,132
Profit for the year	-	217,108	217,108	152,592
Dividends	-	(30,000)	(30,000)	(37,500)
	-----	-----	-----	-----
	<u>263,006</u>	<u>391,326</u>	<u>654,332</u>	<u>467,224</u>

19. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 October 1994 (1993: £Nil).

20. CAPITAL COMMITMENTS

There were no capital commitments at 31 October 1994 (1993: £Nil).

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

CASH FLOW STATEMENT

YEAR ENDED 31 OCTOBER 1994

	Notes	<u>1994</u>		<u>1993</u>
		£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	(1)		671,649	542,780
				-----
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE:				
Dividends receivable		(17,742)		
Interest receivable and similar income		(10,960)		(8,089)
Interest paid		208,994		221,194
Dividends paid		30,000		37,500
		-----		-----
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			(210,292)	(250,605)
				-----
TAXATION				
Corporation tax paid			(68,259)	(63,495)
				-----
INVESTING ACTIVITIES				
Payments to acquire tangible fixed assets		(79,721)		(111,910)
Increase in investment		(56,305)		(6,202)
Payments to acquire intangible fixed assets		-		(75,800)
Purchase of subsidiary undertaking (net of cash acquired)	(6)	(1,027,890)		-
Sales of tangible fixed assets		8,750		3,600
		-----		-----
NET CASH OUTFLOW FROM INVESTING ACTIVITIES			(1,155,166)	(190,312)
			-----	-----
NET CASH FLOW BEFORE FINANCING			(762,068)	38,368
FINANCING				
New bank hire purchase and other loans		1,054,000		174,184
Loan repayments		(272,094)		(220,223)
		-----		-----
NET CASH INFLOW/(OUTFLOW) FROM FINANCING	(4)		781,906	(46,039)
			-----	-----
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(3)		19,838	(7,671)
			=====	=====

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

NOTES TO THE CASH FLOW STATEMENT

YEAR ENDED 31 OCTOBER 1994

1. RECONCILIATION OF OPERATING PROFIT TO NET  
CASH INFLOW FROM OPERATING ACTIVITIES

	<u>1994</u> £	<u>1993</u> £
OPERATING PROFIT	498,472	444,536
Depreciation	129,661	105,216
(Profit) on disposal of fixed assets	(1,406)	(1,041)
Increase in stocks	(15,112)	(63,210)
Decrease/(increase) in debtors	530,565	(58,497)
(Decrease)/increase in creditors	(470,531)	115,776
	-----	-----
NET CASH INFLOW FROM OPERATING ACTIVITIES	<u>671,649</u>	<u>542,780</u>

2. ANALYSIS OF CHANGES IN CASH AND CASH  
EQUIVALENTS DURING THE YEAR

Balance at 1 November 1993	(167,530)	(159,859)
Net cash inflow	19,838	(7,671)
	-----	-----
Balance at 31 October 1994	<u>(147,692)</u>	<u>(167,530)</u>

3. ANALYSIS OF THE BALANCES OF CASH AND  
CASH EQUIVALENTS AS SHOWN IN THE  
BALANCE SHEET

	<u>1994</u> £	<u>1993</u> £	<u>Change in year</u> £
Cash at bank and in hand	27,363	28,873	(1,510)
Bank overdraft	(175,055)	(196,403)	21,348
	-----	-----	-----
	<u>(147,692)</u>	<u>(167,530)</u>	<u>19,838</u>

4. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	<u>Bank, Other and Hire Purchase Loans</u> £
Balance at 1 November 1993	2,239,002
Cash inflows from financing	781,906
	-----
Balance at 31 October 1994	<u>3,020,908</u>

P. AND A. J. CATTEE (CHEMISTS) LIMITED

NOTES TO THE CASH FLOW STATEMENT - continued

YEAR ENDED 31 OCTOBER 1994

5.	HIVE UP OF TRADE AND ASSETS FROM SUBSIDIARY UNDERTAKINGS	£
	Goodwill	835,000
	Tangible fixed assets	264,000
	Stock	121,226
	Cash	3,014
	Creditors	(38,082)
	Inter company account	(1,185,158)
		-----
		-
		=====
6.	NET CASH OUTFLOW IN RESPECT OF THE PURCHASE OF SUBSIDIARY UNDERTAKINGS AND THE HIVE UP OF THEIR TRADE	£
	Cash consideration	1,030,904
	Cash in hand on hive-up	(3,014)
		-----
	NET CASH OUTFLOW IN RESPECT OF THE ACQUISITION OF SUBSIDIARIES	1,027,890
		=====

AUDITORS' REPORT UNDER SECTION 248 (3) COMPANIES ACT 1985

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

We have examined the financial statements of the company and its subsidiaries for the year ended 31 October 1994. The scope of our work for the purposes of this report was limited to confirming that the company is entitled to the exemptions from preparing group financial statements, conferred by Section 248.

In our opinion, the company is entitled to the exemption from preparing group financial statements conferred by Section 248 of the Companies Act 1985.

*Barber, Harrison & Platt*

BARBER, HARRISON & PLATT  
Chartered Accountants &  
Registered Auditors

Chesterfield  
23 May 1995