

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

**CONSOLIDATED**  
**FINANCIAL STATEMENTS**

**YEAR ENDED 31 OCTOBER 2000**

**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 2000.

**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 £663,395 were proposed at the year end (1999: £Nil). Retained profits for the financial year of £180,955 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 pages 13 and 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>2000</u>	<u>1999</u>
P Cattee	131,503	131,503
Mrs A J Cattee	131,503	131,503
	<u>          </u>	<u>          </u>

Mrs A J Cattee retires 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 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.

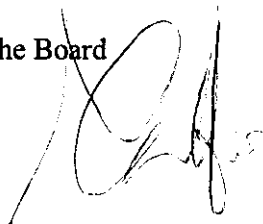
**Auditors**

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



30.08.87

**AUDITORS' REPORT**

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

We have audited the financial statements on pages 5 to 21 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.

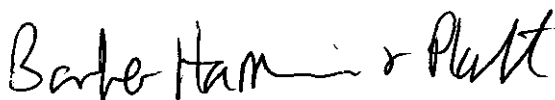
**Basis of opinion**

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 2000 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  
30 July 2001

**P & A J CATTEE (CHEMISTS) LIMITED****CONSOLIDATED PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 OCTOBER 2000**

	<u>Note</u>	<u>Group</u>	
		<u>2000</u>	<u>1999</u>
		<u>£</u>	<u>£</u>
<b>Turnover - continuing activities</b>	(1)	21,044,179	18,205,229
<b>Cost of sales</b>		17,047,283	15,117,280
<b>Gross profit</b>		3,996,896	3,087,949
<b>Administrative expenses</b>		2,301,907	1,715,885
<b>Operating profit</b>	(2)	1,694,989	1,372,064
<b>Interest receivable and other income</b>	(3)	69,225	32,996
<b>Interest payable and similar charges</b>	(4)	(393,929)	(453,622)
<b>Profit on ordinary activities before taxation</b>		1,370,285	951,438
<b>Tax on profit on ordinary activities</b>	(8)	(525,935)	399,923
<b>Profit for the financial year</b>		844,350	551,515
<b>Dividend</b>	(9)	(663,395)	-
<b>Retained profit for the year</b>	(19)	180,955	551,515

There were no acquisitions or discontinued operations during 2000 or 1999.

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

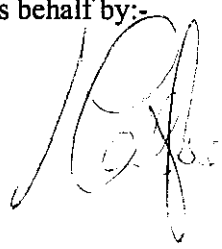
	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
<b>Profit for the financial year</b>	844,350	551,575
<b>Unrealised surplus on revaluation of current asset investments</b>	654,166	-
<b>Deferred taxation on the revaluation surplus</b>	(80,000)	-
<b>Total recognised gains relating to the year</b>	1,418,516	551,515

**P & A J CATTEE (CHEMISTS) LIMITED****CONSOLIDATED BALANCE SHEET****AS AT 31 OCTOBER 2000**

		<b>Group</b>	
	<u>Note</u>	<u>2000</u> £	<u>1999</u> £
<b>Assets employed:</b>			
<b>Fixed assets</b>			
Tangible assets	(11)	1,438,102	1,436,615
Intangible assets	(12)	4,921,916	5,302,525
		<hr/> 6,360,018	<hr/> 6,739,140
<b>Current assets</b>			
Stock	(14)	2,016,364	1,632,113
Debtors	(15)	2,427,601	2,033,435
Investments	(16)	837,714	167,180
Cash at bank and in hand		872,631	295,465
		<hr/> 6,154,310	<hr/> 4,128,193
<b>Creditors: Amounts falling due within one year</b>	(17a)	<hr/> 5,488,799	<hr/> 3,833,355
<b>Net current assets</b>		<hr/> 665,511	<hr/> 294,838
<b>Total assets less current liabilities</b>		<hr/> 7,025,529	<hr/> 7,033,978
<b>Creditors: Amounts falling due after more than one year</b>	(17b)	<hr/> 3,776,683	<hr/> 4,540,253
<b>Net assets</b>		<hr/> 3,248,846	<hr/> 2,493,725
<b>Capital and reserves</b>			
Called up share capital	(18)	263,006	263,006
Revaluation reserve	(19)	574,166	-
Profit and loss account	(19)	2,411,674	2,230,719
<b>Equity shareholders' funds</b>	(19)	<hr/> 3,248,846	<hr/> 2,493,725

The accounts on pages 5 to 21 were approved by the Board of Directors on 30.7.01 and are signed on its behalf by:-

P CATTEE



Director

**P & A J CATTEE (CHEMISTS) LIMITED****COMPANY BALANCE SHEET****AS AT 31 OCTOBER 2000**

		<u>Company</u>	
	<u>Note</u>	<u>2000</u>	<u>1999</u>
		£	£
<b>Assets employed:</b>			
<b>Fixed assets</b>			
Tangible assets	(11)	1,438,102	1,436,615
Intangible assets	(12)	4,921,916	5,302,525
Investment in subsidiary undertakings	(13)	33,680	33,680
		<hr/>	<hr/>
		6,393,698	6,772,820
<b>Current assets</b>			
Stock	(14)	2,016,364	1,632,113
Debtors	(15)	2,427,601	2,033,435
Investments	(16)	837,714	167,180
Cash at bank and in hand		872,631	295,465
		<hr/>	<hr/>
		6,154,310	4,128,193
<b>Creditors: Amounts falling due within one year</b>			
	(17a)	5,522,708	3,867,264
		<hr/>	<hr/>
<b>Net current assets</b>		631,602	260,929
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		7,025,300	7,033,749
<b>Creditors: Amounts falling due after more than one year</b>			
	(17b)	3,776,683	4,540,253
		<hr/>	<hr/>
<b>Net assets</b>		3,248,617	2,493,496
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	(18)	263,006	263,006
Revaluation reserve	(19)	574,166	-
Profit and loss account	(19)	2,411,445	2,230,490
		<hr/>	<hr/>
<b>Equity shareholders' funds</b>	(19)	3,248,617	2,493,496

The accounts on pages 5 to 21 were approved by the Board of Directors on 20th 11 01 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 2000**

	<u>Note</u>	<u>Group</u> <u>2000</u>	<u>Group</u> <u>1999</u>
		£	£
<b>Net cash inflow from operating activities</b>	(23)	2,198,830	2,158,862
<b>Returns on investments and servicing of finance</b>			
Interest received		52,857	18,441
Investment income received		16,368	14,555
Interest paid		(393,929)	(453,622)
<b>Net cash outflow from returns on investments and servicing of finance</b>		(324,704)	(420,626)
<b>Taxation</b>			
Corporation tax paid		(390,800)	(282,387)
<b>Capital expenditure and financial investment</b>			
Sale of assets		8,301	33,999
Payments to acquire tangible fixed assets		(138,266)	(320,700)
Sales of intangible fixed assets		-	250,000
Purchase of current asset investment		(16,368)	(14,555)
		(146,333)	(51,256)
<b>Acquisitions</b>		-	-
<b>Financing</b>			
Decrease in debt	(24)	(759,827)	(777,649)
<b>Increase in cash</b>	(25)	577,166	626,944

**P & A J CATTEE (CHEMISTS) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 OCTOBER 2000****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 2000.

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.

**(e) Current asset investment.**

Current asset investments are stated at current cost, in accordance with the alternative accounting rules

**P & A J CATTEE (CHEMISTS) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued****FOR THE YEAR ENDED 31 OCTOBER 2000****1. Accounting policies - continued****(f) Goodwill**

Purchased goodwill is amortised over its estimated useful life.

**(g) Stock**

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

**(h) 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.

**(i) 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.

**(j) 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.

	<u>2000</u> £	<u>1999</u> £
<b>2. Operating profit is after charging:</b>		
Auditors' remuneration - audit work	6,500	6,500
- non audit work	6,643	8,200
Depreciation and amortisation		
- owned assets	482,510	471,267
- leased assets	20,441	11,680
(Profit)/loss on disposal of fixed assets	6,136	(7,357)
Loss on disposal of goodwill	-	2,416
	<u>          </u>	<u>          </u>

**P & A J CATTEE (CHEMISTS) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued****FOR THE YEAR ENDED 31 OCTOBER 2000**

	<u>2000</u> £	<u>1999</u> £
<b>3. Interest receivable and similar income</b>		
Interest received	52,857	18,441
Dividends on current asset investments	16,368	14,555
	<u>69,225</u>	<u>32,996</u>
	<u>Group</u> <u>2000</u> £	<u>Group</u> <u>1999</u> £
<b>4. Interest payable and similar charges</b>		
On bank loans, overdrafts and hire purchase accounts	361,016	422,893
On other loans	32,913	30,729
	<u>393,929</u>	<u>453,622</u>
	<u>Group</u> <u>2000</u> £	<u>Group</u> <u>1999</u> £
<b>5. Directors' remuneration</b>		
Aggregate emoluments	720,864	462,176
Contributions to money purchase pension schemes	550,000	200,000
	<u>1,270,864</u>	<u>662,176</u>
<b>Including highest paid director</b>		
Emoluments	365,854	243,429
Contributions to money purchase pension schemes	275,000	100,000
	<u>640,854</u>	<u>343,429</u>

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

**P & A J CATTEE (CHEMISTS) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued****FOR THE YEAR ENDED 31 OCTOBER 2000**

	<u>Group 2000</u>	<u>Group 1999</u>
<b>6. Employees</b>		
(i) The average number of employees during the year was:	<u>No.</u>	<u>No.</u>
Dispensing and retailing	183	178
Administration	7	7
	<u>190</u>	<u>185</u>
(ii) Staff costs during the year amounted to:	<u>£</u>	<u>£</u>
Wages and salaries	2,599,523	2,331,691
Social security costs	214,689	189,464
Other pension costs	589,669	239,446
	<u>3,403,881</u>	<u>2,760,601</u>

**7. 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 **£589,669** (1999: £239,446).

The amount owed to the schemes at 31 October 2000 was **£556,602** (1999: £6,347).

<b>8. Taxation</b>	<u>2000 £</u>	<u>1999 £</u>
Corporation tax based on the results for the year at 30% (1999: 30.4%)	703,000	400,000
Over/under provision re previous year	(9,200)	(77)
Deferred tax (note 20)	(167,865)	-
	<u>525,935</u>	<u>399,923</u>

**9. Dividends**

Final dividend proposed at 252p per share (1999: Nil)	<u>663,395</u>	<u>-</u>
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**P & A J CATTEE (CHEMISTS) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued****FOR THE YEAR ENDED 31 OCTOBER 2000****10. Profit attributable to the parent undertaking**

The profit dealt with in the financial statements of P & A J Cattee (Chemists) Ltd was **£180,955**.  
(1999: £839,736).

**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>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>						
At 1.11.99	880,940	130,750	45,190	628,423	210,395	1,895,698
Additions during year	-	-	-	112,647	25,619	138,266
Disposals	-	-	-	(23,000)	(22,516)	(45,516)
<b>At 31.10.00</b>	<b>880,940</b>	<b>130,750</b>	<b>45,190</b>	<b>718,070</b>	<b>213,498</b>	<b>1,988,448</b>
<b>Depreciation</b>						
At 1.11.99	-	-	42,138	363,279	53,666	459,083
Disposal	-	-	-	(13,799)	(17,280)	(31,079)
Provided during year	-	-	487	82,563	39,292	122,342
<b>At 31.10.00</b>	<b>-</b>	<b>-</b>	<b>42,625</b>	<b>432,043</b>	<b>75,678</b>	<b>550,346</b>
<b>Net book value</b>						
<b>At 31.10.00</b>	<b>880,940</b>	<b>130,750</b>	<b>2,565</b>	<b>286,027</b>	<b>137,820</b>	<b>1,438,102</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>

The net book amount of motor vehicles includes £61,332 (1999: £81,763) in respect of assets held under hire purchase contracts, the depreciation of which is shown in note 2.

**P & A J CATTEE (CHEMISTS) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued****FOR THE YEAR ENDED 31 OCTOBER 2000**

<b>12. Fixed assets - Intangible - Group and Company</b>	<b><u>Goodwill</u></b>
	<b>£</b>
<b>Cost</b>	
At 1.11.99	6,594,500
Additions during year	-
Disposal	-
<b>At 31.10.00</b>	<b><u>6,594,500</u></b>
<b>Amortisation</b>	
At 1.11.99	1,291,975
Disposal	-
Amortised during year	380,609
<b>At 31.10.00</b>	<b><u>1,672,584</u></b>
<b>Net book value</b>	
<b>At 31.10.00</b>	<b><u><u>4,921,916</u></u></b>
<b>At 31.10.99</b>	<b><u><u>5,302,525</u></u></b>

<b>13. Investments - shares in subsidiary undertakings - Company</b>			
	<b><u>Cost of</u></b>	<b><u>Dividends from</u></b>	
	<b><u>shares</u></b>	<b><u>subsidiary</u></b>	
	<b>£</b>	<b>£</b>	<b><u>Total</u></b>
			<b>£</b>
At 1 November 1999 and 31 October 2000	<u>5,192,605</u>	<u>(5,158,925)</u>	<u>33,680</u>

The company held all of the issued ordinary share capital of the following subsidiaries at 31 October 2000:-

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.

**P & A J CATTEE (CHEMISTS) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued****FOR THE YEAR ENDED 31 OCTOBER 2000**

<b>14. Stock - Group and Company</b>			<b><u>2000</u></b>	<b><u>1999</u></b>
			<b>£</b>	<b>£</b>
Goods for resale			<b><u>2,016,364</u></b>	<b><u>1,632,113</u></b>
<b>15. Debtors - all due within one year</b>				
	<b><u>Group</u></b>		<b><u>Company</u></b>	
	<b><u>2000</u></b>	<b><u>1999</u></b>	<b><u>2000</u></b>	<b><u>1999</u></b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	2,041,441	1,784,008	2,041,441	1,784,008
Prepayments	59,328	57,239	59,328	57,239
Other debtors	238,967	192,188	238,967	192,188
Deferred tax (see note 20)	87,865	-	87,865	-
	<b><u>2,427,601</u></b>	<b><u>2,033,435</u></b>	<b><u>2,427,601</u></b>	<b><u>2,033,435</u></b>
<b>16. Investments</b>			<b><u>Group and Company</u></b>	
			<b><u>2000</u></b>	<b><u>1999</u></b>
			<b>£</b>	<b>£</b>
Listed investments at beginning of year			167,180	167,180
Addition in year			16,368	-
Revaluation surplus on revaluation to current cost			654,166	-
<b>Listed investments at end of year</b>			<b><u>837,714</u></b>	<b><u>167,180</u></b>

The market value of listed investments was **£837,714** (1999: £563,840).



**P & A J CATTEE (CHEMISTS) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued****FOR THE YEAR ENDED 31 OCTOBER 2000****17a. Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	£	£	£	£
Bank loans	714,634	710,891	714,634	710,891
Hire purchase account	21,187	21,187	21,187	21,187
Other loans	39,060	36,729	39,060	36,729
Trade creditors	1,847,230	2,319,362	1,847,230	2,319,362
Current corporation tax	703,000	400,000	703,000	400,000
Other creditors	676,817	126,552	676,817	126,552
Other taxes and social security costs	340,913	99,008	340,913	99,008
Accruals	123,555	109,688	123,555	109,688
Directors current account	1,022,403	9,938	1,022,403	9,938
Amount due to subsidiary undertakings	-	-	33,909	33,909
	<u>5,488,799</u>	<u>3,833,355</u>	<u>5,522,708</u>	<u>3,867,264</u>

During the year the directors' joint current account was overdrawn, the maximum amount outstanding was £671. No interest was attached thereto. This amount was repaid by 31 October 2000.

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

	<b>Group and Company</b>	
	<u>2000</u>	<u>1999</u>
	£	£
Bank loans	3,650,952	4,393,335
Other loans	115,139	115,139
Hire purchase account	10,592	31,779
	<u>3,776,683</u>	<u>4,540,253</u>

**17c. Loans**

	<b>Group and Company</b>	
	<u>2000</u>	<u>1999</u>
	£	£
Bank and other loans outstanding are repayable as follows:-		
Within one year	753,694	747,620
Between one and two years	672,890	700,937
Between two and five years	2,145,390	2,181,789
Over five years	947,811	1,625,748
	<u>4,519,785</u>	<u>5,256,094</u>

**P & A J CATTEE (CHEMISTS) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued****FOR THE YEAR ENDED 31 OCTOBER 2000****17c. Loans - continued**

Of the loans repayable in more than 5 years £832,671 are repayable by instalments. The monthly instalments for these loans total £61,931 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>2000</u> £	<u>1999</u> £
Within one year	21,187	21,187
One to two years	10,592	21,187
Two to five years	-	10,592
	<u>31,779</u>	<u>52,966</u>

**18. Share capital**

	<u>2000 and 1999</u>
	<u>Issued, called up and fully paid</u>
	<u>Authorised</u>
	£
Ordinary shares of £1 each	263,006
	<u>263,006</u>

**P & A J CATTEE (CHEMISTS) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued****FOR THE YEAR ENDED 31 OCTOBER 2000****19. Equity shareholders' funds**

Company	2000				1999
	<u>Share Capital</u>	<u>Profit &amp; Loss A/c</u>	<u>Revaluation Reserve</u>	<u>Total</u>	<u>Total</u>
		£	£	£	£
At 1 November 1999	263,006	2,230,490	-	2,493,496	1,653,760
Profit for the financial year	-	844,350	-	844,350	839,736
Dividend	-	(663,395)	-	(663,395)	-
Surplus on current asset investment revaluation	-	-	654,166	654,166	-
Deferred taxation on revaluation surplus	-	-	(80,000)	(80,000)	-
<b>At 31 October 2000</b>	<b>263,006</b>	<b>2,411,445</b>	<b>574,166</b>	<b>3,248,617</b>	<b>2,493,496</b>

Group	2000				1999
	<u>Share Capital</u>	<u>Profit &amp; Loss A/c</u>	<u>Revaluation Reserve</u>	<u>Total</u>	<u>Total</u>
		£	£	£	£
At 1 November 1999	263,006	2,230,719	-	2,493,725	1,942,210
Profit for the year	-	844,350	-	844,350	551,575
Dividend	-	(663,395)	-	(663,395)	-
Surplus on current asset investment revaluation	-	-	654,166	654,166	-
Deferred taxation on revaluation surplus	-	-	(80,000)	(80,000)	-
<b>At 31 October 2000</b>	<b>263,006</b>	<b>2,411,674</b>	<b>574,166</b>	<b>3,248,846</b>	<b>2,493,725</b>

**P & A J CATTEE (CHEMISTS) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued****FOR THE YEAR ENDED 31 OCTOBER 2000****20. Deferred tax****Company and Group**

	<u>2000</u>		<u>1999</u>	
	<u>Potential</u>	<u>Provision</u>	<u>Potential</u>	<u>Provision</u>
	<u>Liabilities</u>	<u>Made</u>	<u>Liabilities</u>	<u>Made</u>
	£	£	£	£
Corporation tax deferred by excess of tax allowances	(2,865)	(2,865)	-	-
Post retirement benefits	(165,000)	(165,000)	-	-
Revaluation of investments	80,000	80,000	-	-
	<u>(87,865)</u>	<u>(87,865)</u>	<u>-</u>	<u>-</u>

**Change in provision**

	<u>Group</u>		<u>Company</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	£	£	£	£
As at 1 November 1999	-	-	-	-
Profit and loss account	(167,865)	-	(167,865)	-
Revaluation reserve	80,000	-	80,000	-
At 30 October 2000	<u>(87,865)</u>	<u>-</u>	<u>(87,865)</u>	<u>-</u>

**21. Capital commitments**

Capital expenditure contracted for but not provided in the financial statements amounted to £Nil (1999: £Nil).

**22. Contingent liabilities**

As far as the directors are aware there are no contingent liabilities at 31 October 2000 (1999: £Nil).

**P & A J CATTEE (CHEMISTS) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued****FOR THE YEAR ENDED 31 OCTOBER 2000****23. Reconciliation of operating profit to operating cash flows**

	<b><u>Group</u></b> <b><u>2000</u></b> <b>£</b>	<b><u>Group</u></b> <b><u>1999</u></b> <b>£</b>
Operating profit	1,694,989	1,372,064
Depreciation charges and amortisation	502,951	482,947
Loss/(profit) on disposal of fixed assets	6,136	(7,357)
Loss on disposal of goodwill	-	2,416
(Increase)/decrease in stocks	(384,251)	60,786
(Increase)/decrease in debtors	(306,301)	(124,364)
Increase in creditors	685,306	372,370
<b>Net cash inflow from operating activities</b>	<b><u>2,198,830</u></b>	<b><u>2,158,862</u></b>

**24. Financing**

	<b><u>Group</u></b> <b><u>2000</u></b> <b>£</b>	<b><u>Group</u></b> <b><u>1999</u></b> <b>£</b>
Bank loan repayments	(738,640)	(828,693)
New hire purchase obligations	-	63,644
Capital element of hire purchase repayments	(21,187)	(12,600)
<b>Net cash inflow from financing</b>	<b><u>(759,827)</u></b>	<b><u>(777,649)</u></b>

**P & A J CATTEE (CHEMISTS) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued****FOR THE YEAR ENDED 31 OCTOBER 2000****25. Analysis of changes in net debt**

	At 1/10/99 £	Cash (inflows)/ outflows £	Other Changes £	At 31/10/00 £
Cash at bank and in hand	295,465	577,166	-	872,631
		<u>577,166</u>		
Debt due within one year	(710,891)	738,640	(742,383)	(714,634)
Debt due after one year	(5,104,226)	-	742,383	(4,361,843)
Hire purchase	(52,966)	21,187	-	(31,779)
		<u>759,827</u>		
<b>Total</b>	<b>(5,572,618)</b>	<b>1,336,993</b>	<b>-</b>	<b>(4,235,625)</b>

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

	<b><u>Group</u></b> <b><u>2000</u></b> £	<b><u>Group</u></b> <b><u>1999</u></b> £
Increase in cash in the year	577,166	626,944
Cash outflow from decrease in debt	759,827	841,293
	<u>1,336,993</u>	<u>1,468,237</u>
Change in net debt resulting from cash flow	1,336,993	1,468,237
New hire purchase obligations	-	(63,644)
Net movement in debt	1,336,993	1,404,593
Net debt at 1 November 1999	(5,572,618)	(6,418,187)
Net debt at 31 October 2000	<u>(4,235,625)</u>	<u>(5,013,594)</u>

**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.