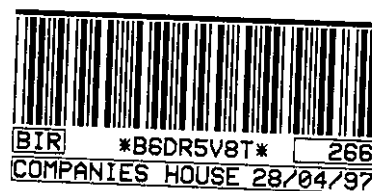


Lifecycle Limited

Directors' report and financial statements

30 June 1996

Registered number 1816173



Lifecycle Limited

Directors' report and financial statements

<i>Contents</i>	<i>Page</i>
Directors' report	1
Statement of directors' responsibilities	2
Auditors' report	3
Profit and loss account	4
Balance sheet	4
Notes	5-6

Lifecycle Limited

Directors' report

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

Principal activities

The company did not trade during the year.

Directors and directors' interests

The directors who served during the year were as follows:

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

None of the directors had any interest in the share capital of the company during the year.

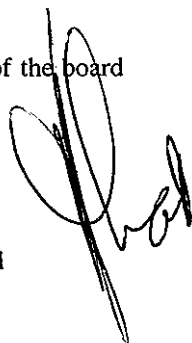
AJ Lloyd, MA Ward, RG Turner and JC Fellows were directors of Lloyds Chemists plc, the ultimate holding company at the year end, and their interests are disclosed in the financial statements of that company.

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	608	608	7,560	7,560	5,796	5,621	57,000	119,800

By order of the board

MA Ward
Director



Britannia House
Centurion Park
Tamworth
Staffordshire
B77 5PZ

3 December 1996

Lifecycle Limited

Statement of directors' responsibilities

The following statement 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 4 to 6, 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 Lifecycle Limited

We have audited the financial statements on pages 4 to 6.

Respective responsibilities of directors and auditors

As described on page 2 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 result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

LPM

KPMG
Chartered Accountants
Registered Auditors

3 December 1996

Lifecycle Limited

Profit and loss account

for the year ended 30 June 1996

During the financial year and the preceding financial year the company did not trade and received no income and incurred no expenditure. Consequently, during those years the company made neither a profit nor a loss.

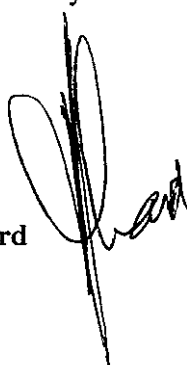
Balance sheet

at 30 June 1996

	<i>Note</i>	1996 £'000	1995 £'000
Creditors: amounts falling due within one year	2	(895)	(895)
Capital and reserves			
Called up share capital	3	1,500	1,500
Profit and loss account	4	(2,395)	(2,395)
Total equity shareholders' funds		(895)	(895)

These financial statements were approved by the board of directors on 3 December 1996 and were signed on its behalf by:

MA Ward
Director



Lifecycle Limited

Notes

(forming part of the financial statements)

1 Accounting policies

The financial statements have been prepared under the historical cost convention in accordance with applicable Accounting Standards, on the basis of continued support from Lloyds Chemists plc, the ultimate holding company.

2 Creditors: amounts falling due within one year

	1996 £'000	1995 £'000
Amounts owed to parent and fellow subsidiary undertakings	895	895

3 Called up share capital

	1996 £'000	1995 £'000
<i>Authorised:</i>		
80,000 "A" ordinary shares of £1 each	80	80
58,772 "B" ordinary shares of £1 each	59	59
1,462,130 "C" ordinary shares of £1 each	1,462	1,462
20,000 "D" ordinary shares of £1 each	20	20
140,000 "E" ordinary shares of £1 each	140	140
	<u>1,761</u>	<u>1,761</u>
<i>Issued, called up and fully paid:</i>		
80,000 "A" ordinary shares of £1 each	80	80
50,000 "B" ordinary shares of £1 each	50	50
1,210,000 "C" ordinary shares of £1 each	1,210	1,210
20,000 "D" ordinary shares of £1 each	20	20
140,000 "E" ordinary shares of £1 each	140	140
	<u>1,500</u>	<u>1,500</u>

4 Reserves

Profit and
loss account
£'000

At 1 July 1995 and 30 June 1996

(2,395)

Lifecycle Limited

Notes *(continued)*

5 **Ultimate holding company**

The company is a wholly owned subsidiary of 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.