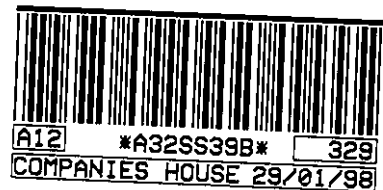


N D HUNT PHARMACIES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1997

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Company No. 01851367

N D HUNT PHARMACIES LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 1997

The Directors present their Report and the Financial Statements for the year ended 31 March 1997.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company Law requires the Directors to prepare Financial Statements for each financial year 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 then apply them consistently.
- make adjustments 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.

PRINCIPAL ACTIVITY

The Company's principal activity continues to be that of Parent Company for a Subsidiary engaged as Pharmaceutical Chemists and Retailers of Chemists' Sundries.

DIRECTORS

The Directors who served during the year and their beneficial interests in the Company's Issued Ordinary Share Capital were:-

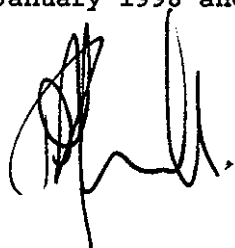
	<u>Number of Shares</u>	
	<u>31 March 1997</u>	<u>31 March 1996</u>
P Marshall	99	100
D Hollows	-	-

AUDITORS

The Auditors, Barnes Clark, will be proposed for reappointment in accordance with Section 385 of the Companies Act 1985.

This Report, which has been prepared in accordance with the Special Provisions of Part VII of the Companies Act 1985 applicable to small Companies, was approved by the Board on 16 January 1998 and signed on its behalf.

P R Marshall
Secretary



N D HUNT PHARMACIES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1997

	<u>Notes</u>	<u>1997</u>	<u>1996</u>
		£	£
<u>TURNOVER</u>	1,2	20,000	20,000
Administrative Expenses		(450)	(578)
		-----	-----
<u>OPERATING PROFIT</u>	3	19,550	19,422
Interest Payable	4	(3,352)	(4,274)
		-----	-----
<u>PROFIT ON ORDINARY ACTIVITIES</u> <u>BEFORE TAXATION</u>		16,198	15,148
<u>TAXATION</u>	5	(3,890)	(3,791)
		-----	-----
<u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>		12,308	11,357
<u>DIVIDENDS</u>		-	-
		-----	-----
<u>PROFIT FOR THE YEAR</u>		12,308	11,357
<u>RETAINED PROFIT BROUGHT FORWARD</u>		35,517	24,160
		-----	-----
<u>RETAINED PROFIT CARRIED FORWARD</u>		£ 47,825	£ 35,517
		=====	=====

There were no recognised Gains and Losses for 1997 or 1996 other than those included in the Profit and Loss Account.

The Notes on pages 4 to 6 form part of these Financial Statements.

N D HUNT PHARMACIES LIMITED

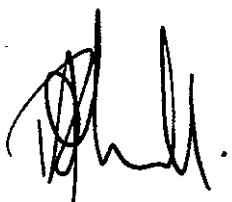
BALANCE SHEET

AS AT 31 MARCH 1997

	<u>Notes</u>	<u>1997</u>	<u>1996</u>
		£	£
<u>FIXED ASSETS</u>			
Investments	6	125,307	125,307
<u>CURRENT ASSETS</u>			
Cash at Bank and in Hand		771	735
		-----	-----
<u>CREDITORS</u> Amounts falling due within one year	7	(42,133)	(48,117)
		-----	-----
<u>NET CURRENT LIABILITIES</u>		(41,362)	(47,382)
		-----	-----
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		83,945	77,925
<u>CREDITORS</u> Amounts falling due after more than one year	8		
Bank Loans		(36,020)	(42,308)
		-----	-----
<u>NET ASSETS</u>		£ 47,925	£ 35,617
		=====	=====
<u>CAPITAL AND RESERVES</u>			
Called Up Share Capital	9	100	100
Profit and Loss Account		47,825	35,517
		-----	-----
<u>SHAREHOLDERS' FUNDS</u>	10	£ 47,925	£ 35,617
		=====	=====

The Financial Statements, which have been prepared in accordance with the Special Provisions of Part VII of the Companies Act 1985 applicable to Small Companies, were approved by the board on 16 January 1998 and signed on its behalf.

P R Marshall
Director



The Notes on pages 4 to 6 form part of these Financial Statements.

N D HUNT PHARMACIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 1997

1. ACCOUNTING POLICIES

(A) Basis of Accounting

The Financial Statements have been prepared under the historical cost convention and include the results of the Company's operations which are described in the Directors' Report and all of which are continuing.

The Company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a Cashflow Statement on the grounds that it is a small Company.

(b) Turnover

Turnover represents Management Fees received from the Subsidiary Company.

(c) Fixed Asset Investment

These are included in the Balance Sheet at cost.

(d) Deferred Taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that in the opinion of the Directors there is reasonable probability that the liability will not arise in the foreseeable future.

2. TURNOVER

The Turnover and Profit before Taxation is attributable to the one principal activity of the Company, all derived in the United Kingdom.

3. OPERATING PROFIT

	<u>1997</u>	<u>1996</u>
The Operating Profit is stated after charging:-		
Directors' Remuneration	-	-
Auditors' Remuneration	400	520
	=====	=====

4. INTEREST PAYABLE

Interest payable on Bank Loans	3,342	4,257
Interest - Overdue tax	10	17
	-----	-----
	£ 3,352	£ 4,274
	=====	=====

5. TAXATION

U.K. Corporation Tax at 24% (1996-25%) - current year	£ 3,890	£ 3,791
	=====	=====

N D HUNT PHARMACIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 1997

6. INVESTMENTS

	<u>1997</u>	<u>1996</u>
Shares in Subsidiary at Cost	£ 125,307	£ 125,307
	=====	=====

The Company owns all of the Share Capital of H Coates and Company Limited, a trading Company incorporated in England.

7 CREDITORS Due within one year:

Directors' Current Account	988	988
Amount due to Subsidiary Company	28,488	34,686
Other Creditors	1,155	1,126
Accruals	640	665
	-----	-----
Bank Loan	31,271	37,465
Corporation Tax	6,972	6,861
	3,890	3,791
	-----	-----
	£ 42,133	£ 48,117
	=====	=====

8. CREDITORS: Due after one year:-

Bank Loan	£ 36,020	£ 42,308
	=====	=====

9. CALLED UP SHARE CAPITAL

Authorised

100 Ordinary Shares of £1 each	£ 100	£ 100
	=====	=====

Allotted, Issued and Fully Paid

100 Ordinary Shares of £1 each	£ 100	£ 100
	=====	=====

10. MOVEMENT ON SHAREHOLDERS' FUNDS

Profit for the year	12,308	11,357
<u>Less: Dividends</u>	-	-
	-----	-----
Opening Shareholders' Funds	12,308	11,357
	35,617	24,260
	-----	-----
Closing Shareholders' Funds	£ 47,925	£ 35,617
	=====	=====

N D HUNT PHARMACIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 1997

11. GROUP ACCOUNTS

N D Hunt Pharmacies Limited has beneficial title to all 2,000 Ordinary Shares in H Coates and Company Limited.

The Directors have taken advantage of the exemption conferred by Section 248 of the Companies Act 1985 from the requirement to prepare Consolidated Accounts on the basis that the Group is small.

N D HUNT PHARMACIES LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF

N D HUNT PHARMACIES LIMITED

We have audited the Financial Statements on pages 2 to 6 which have been prepared under the historical cost convention and the accounting policies set out on page 4.

Respective Responsibilities of Directors and Auditors

As described on page 1, 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 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 as at 31 March 1997 and of its Profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small Companies.

In our opinion the Company is entitled for the year ended 31 March 1997 to the exemption conferred by Section 248 of the Companies Act 1985 from the requirement to prepare Group Accounts.

75 Church Road
Tiptree
Essex CO5 0HB



BARNES CLARK

Date: 16 January 1998

Chartered Certified Accountants and
Registered Auditors