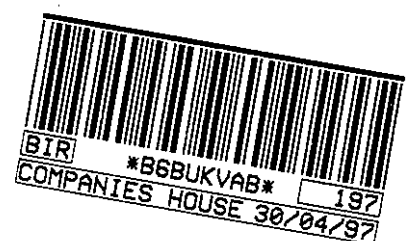


# **Macarthy Group Properties Limited**

**Directors' report and financial statements**

**30 June 1996**

**Registered number 2158377**



# Macarthy Group Properties Limited

## Directors' report and financial statements

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# Macarthy Group Properties Limited

## Directors' report

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

### Principal activity

The company is engaged in the letting of properties to group undertakings.

### Results and dividends

The results for the year are set out on page 5. The directors do not recommend the payment of a dividend (1995: £Nil). The retained loss of £288,000 (1995: £1,861,000 profit) is transferred to reserves.

### 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.

Messrs 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

No director had any interest in the share capital of any other group undertakings.

# Macarthy Group Properties Limited

## Directors' report *(continued)*

### Payment of suppliers

It is the company's policy that appropriate terms and conditions for its transactions are agreed with suppliers, that payments are made in accordance with these terms, provided that the supplier has also complied with all terms and conditions, and that no alterations are made to payment terms without prior agreement.

By order of the board

**MA Ward**  
Director

A handwritten signature in black ink, appearing to be 'MA Ward', written over a vertical line.

Britannia House  
Centurion Park  
Tamworth  
STAFFORDSHIRE  
B77 5PZ

3 December 1996

# Macarthy Group Properties Limited

## Statement of directors' responsibilities

The following statement, which should be read in conjunction with the report of the auditors set out on page 4, 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 5 to 12, 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 Macarthy Group Properties Limited

We have audited the financial statements on pages 5 to 12.

### *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 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 loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG*

**KPMG**  
Chartered Accountants  
Registered Auditors

3 December 1996

# Macarthy Group Properties Limited

## Profit and loss account for the year ended 30 June 1996

	<i>Note</i>	<b>Continuing operations</b>	
		<b>1996</b>	<b>1995</b>
		<b>£'000</b>	<b>£'000</b>
Turnover	<i>1</i>	63	559
Other operating expenses		(38)	(13)
		<hr/>	<hr/>
<b>Operating profit</b>		<b>25</b>	<b>546</b>
(Loss)/profit on disposal of properties		(282)	1,504
		<hr/>	<hr/>
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(257)</b>	<b>2,050</b>
Tax on profit on ordinary activities	<i>5</i>	(31)	(189)
		<hr/>	<hr/>
<b>(Loss)/profit on ordinary activities after taxation and retained profit for the financial year</b>	<i>10</i>	<b>(288)</b>	<b>1,861</b>
		<hr/>	<hr/>

A statement of movements on reserves is given in note 10 to the financial statements.

# Macarthy Group Properties Limited

## Balance sheet at 30 June 1996

	Note	1996		1995	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	5		6,307		6,706
<b>Current assets</b>					
Debtors	6	1,568		742	
Cash at bank and in hand		160		147	
		<u>1,728</u>		<u>889</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(4,815)</u>		<u>(4,007)</u>	
<b>Net current liabilities</b>			<u>(3,087)</u>		<u>(3,118)</u>
<b>Total assets less current liabilities</b>			3,220		3,588
Provisions for liabilities and charges	8		<u>(27)</u>		<u>(107)</u>
<b>Net assets</b>			<u>3,193</u>		<u>3,481</u>
<b>Capital and reserves</b>					
Called up share capital	9		-		-
Revaluation reserve	10		280		280
Profit and loss account	10		<u>2,913</u>		<u>3,201</u>
<b>Total equity shareholders' funds</b>			<u>3,193</u>		<u>3,481</u>

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

MA Ward  
Director



# Macarthy Group Properties Limited

## Statement of total recognised gains and losses for the year ended 30 June 1996

During the year ended 30 June 1996 there were no recognised gains or losses other than the loss for the financial year of £288,000 (1995: profit £1,861,000).

## Historical cost profits and losses for the year ended 30 June 1996

There is no difference between the historical cost loss on ordinary activities before taxation and that reported in the profit and loss account for the year ended 30 June 1996 and 30 June 1995.

## Reconciliation of movements in shareholders' funds for the year ended 30 June 1996

	1996 £'000	1995 £'000
(Loss)/profit for the financial year	(288)	1,861
Unrealised gains arising on revaluation of assets	-	230
	<hr/>	<hr/>
Net movement in shareholders' funds	(288)	2,091
Shareholders' funds at 1 July 1995	3,481	1,390
	<hr/>	<hr/>
Shareholders' funds at 30 June 1996	<u>3,193</u>	<u>3,481</u>

# Macarthy Group Properties Limited

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements:

#### ***Basis of preparation***

The financial statements have been prepared under the historical cost convention modified by the revaluation of certain properties and in accordance with applicable Accounting Standards.

The company is a wholly owned subsidiary of Lloyds Chemists plc which is established under the law of a member state of the European Community. Lloyds Chemists plc publishes consolidated financial statements including a consolidated cash flow statement which includes the results of Macarthy Group Properties Limited, and consequently, in accordance with Financial Reporting Standard Number 1, no cash flow statement is included in these financial statements.

#### ***Turnover***

Turnover represents rents receivable from group undertakings.

#### ***Fixed assets***

Certain properties are professionally valued on the basis of open market value for the existing use.

Surpluses arising on revaluation are taken directly to revaluation reserve.

On disposal the difference between the proceeds and the carrying value is taken to the profit and loss account.

#### ***Depreciation and amortisation of tangible fixed assets***

It is the policy of the company to maintain its properties in a state of good repair. Because of this, such properties maintain residual disposal values, based on prices prevailing at the date of purchase, at least equal to their book values and accordingly no provision for depreciation is made. Where there is a permanent diminution in the value of a property a charge is made to the profit and loss account.

#### ***Taxation***

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

### 2 Staff numbers and costs

The company had no employees during the year (1995: Nil).

# Macarthy Group Properties Limited

## Notes (continued)

### 3 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging/(crediting) the following:

	1996 £'000	1995 £'000
Directors' remuneration	-	-
Auditors' remuneration	3	2
Rents receivable	(63)	(559)
	<u>          </u>	<u>          </u>

### 4 Tax on profit on ordinary activities

Taxation based on the profit for the year is as follows:

	1996 £'000	1995 £'000
Corporation tax at 33% (1995: 33%)	111	189
Deferred taxation	(80)	-
	<u>          </u>	<u>          </u>
	31	189
	<u>          </u>	<u>          </u>

The taxation credit (charge in 1995) for the year has been reduced as a result of capital losses for which no tax relief is yet available (1995: £495,000 as a result of capital gains rolled over).

# Macarthy Group Properties Limited

## Notes (continued)

### 5 Tangible fixed assets

	Freehold land and buildings £'000	Long leasehold land and buildings £'000	Total £'000
<b>Valuation and net book value</b>			
At 1 July 1995	5,327	1,379	6,706
Additions	175	-	175
Disposals	(634)	-	(634)
Group transfers	60	-	60
	<hr/>	<hr/>	<hr/>
At 30 June 1996	4,928	1,37	6,307
	<hr/>	<hr/>	<hr/>
<b>Representing:</b>			
At cost	2,333	500	2,833
At valuation in 1994	2,595	343	2,938
At valuation in 1995	-	536	536
At valuation in 1996	<hr/>	<hr/>	<hr/>
	4,928	1,379	6,307
	<hr/>	<hr/>	<hr/>
Net book value of assets if stated on the historical cost basis	4,942	1,079	6,007
	<hr/>	<hr/>	<hr/>

A full revaluation of the chemist property portfolio was last carried out as at 30 June 1994 with subsequent additions being valued at 30 June 1995. The valuations at both 30 June 1995 and 1994 were carried out by Chesterton International plc on the basis of open market value for the existing use and were made in accordance with the Statements of Asset Valuation Practice and Guidance Notes published by the Royal Institution of Chartered Surveyors.

### 6 Debtors

	1996 £'000	1995 £'000
Amounts owed by parent undertakings and fellow subsidiary undertakings	1,546	737
Other debtors	22	5
	<hr/>	<hr/>
	1,568	742
	<hr/>	<hr/>

# Macarthy Group Properties Limited

## Notes (continued)

### 7 Creditors: amounts falling due within one year

	1996 £'000	1995 £'000
Bank overdraft	367	9
Amounts owed to parent undertakings and fellow subsidiary undertakings	2,850	3,645
Corporation tax	2	180
Other creditors including tax and social security	1	98
Accruals and deferred income	1,595	75
	<u>4,815</u>	<u>4,007</u>

### 8 Provisions for liabilities and charges

	Deferred taxation £'000
At 1 July 1995	107
Transfer to profit and loss account	(80)
	<u>27</u>
At 30 June 1996	<u>27</u>

The amounts provided for deferred taxation and the amounts unprovided, calculated under the liability method at 33%, are set out below:

	1996		1995	
	Provided £'000	Unprovided £'000	Provided £'000	Unprovided £'000
Accelerated capital allowances	27	-	107	-
Capital gains rolled over	-	1,006	-	3,399
Chargeable gains	-	92	-	5,047
	<u>27</u>	<u>1,098</u>	<u>107</u>	<u>8,446</u>

# Macarthy Group Properties Limited

## Notes (continued)

### 9 Called up share capital

	1996 £	1995 £
<i>Authorised:</i>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
<i>Allotted, called up and fully paid:</i>		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

### 10 Reserves

	Revaluation reserve £'000	Profit and loss account £'000
At 1 July 1995	280	3,201
Retained (loss)/profit for the financial year	<u>-</u>	<u>(288)</u>
At 30 June 1996	<u>280</u>	<u>2,913</u>

### 11 Capital commitments

The company had no capital commitments at 30 June 1996 (1995: £Nil).

### 12 Contingent liabilities

The company guarantees the borrowing of certain other group undertakings, which at 30 June 1996 amounted to £Nil (1995: £Nil).

### 13 Ultimate holding company

The ultimate holding company is 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.