

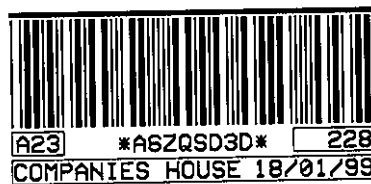
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PIRMO CHEMISTS LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 1998



WHITING & PARTNERS

CHARTERED ACCOUNTANTS

31 PRIESTGATE

PETERBOROUGH

PE1 1JL

PIRMO CHEMISTS LIMITED

REPORT AND FINANCIAL STATEMENTS

31 MARCH 1998

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PIRMO CHEMISTS LIMITED

COMPANY INFORMATION

COMPANY NUMBER

02339432

DIRECTORS

M Pirmohamed

A G Pirmohamed

SECRETARY

A G Pirmohamed

REGISTERED OFFICE

21 High Street
Eye
Peterborough
PE6 7UP

AUDITORS

Whiting & Partners
Chartered Accountants
31 Priestgate
Peterborough
PE1 1JL

BANKERS

Barclays Bank Plc
114/116 High Street
Old Fletton
Peterborough
PE2 8DP

SOLICITORS

Greenwoods
30 Priestgate
Peterborough
PE1 1JE

PIRMO CHEMISTS LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 1998

The Directors present their Report with the Financial Statements of the Company for the Year Ended 31 March 1998.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The Company's principal activities are Dispensing Pharmacist and Retail Chemist.

The Directors report that sales during the year have increased by 32%.

RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £24,985. The Directors declared net dividends of £12,800 and Mr A G Pirmohamed signed a deed waiving his right to receive the £6,400 net dividend attributable to him.

FIXED ASSETS

Details of movements in Fixed Assets during the year are set out in Note 9 to the Financial Statements.

DIRECTORS AND INTEREST IN SHARES

The Directors who held office at 31 March 1998 had the following interests in the shares of the Company at the beginning and end of the Financial Period.

	<u>£ Ordinary Shares</u>
	<u>Fully Paid</u>
	<u>1998</u>
M Pirmohamed	50
A G Pirmohamed	50

AUDITORS

A resolution under Section 384 of the Companies Act 1985 will be proposed at the Annual General Meeting that Messrs Whiting & Partners be re-appointed as Auditors.

This report was approved by the Board on:

14th January 1999



AMIR PIRMOHAMED
Director

DIRECTORS' RESPONSIBILITY FOR FINANCIAL STATEMENTS

(a) Company law requires Directors to prepare Financial Statements for each Financial Year which give a true and fair view of the Company's state of affairs at the end of the year and profit or loss for the year then ended;

(b) In preparing those Financial Statements, the Directors are required to:

Select suitable accounting policies and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;


Prepare the Financial Statements on the going concern basis unless it is now appropriate to presume that the Company will continue in business.

(c) The Directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

(d) We confirm that as Directors we have responsibility for ensuring that the company will not be materially adversely affected by any failure of computer or other systems to cope with the Year 2000. In particular, we acknowledge responsibility for:

- analysing the impact of the year 2000 on the business
- developing plans to mitigate the effects identified by the analysis
- assessing the appropriateness of adopting the going concern basis in preparing the accounts, together with any disclosures needed to give a true and fair view
- considering the need for disclosures in the annual report as a result of the requirements of UITF Abstract 20.

Acknowledged by Director



AMIR PIRMOHAMED
PIRMO CHEMISTS LIMITED

14th January 1999

DATE

AUDITORS' REPORT**TO THE SHAREHOLDERS OF PIRMO CHEMISTS LIMITED**

We have audited the Financial Statements on pages 5 to 12 which have been prepared under the Historical Cost Convention (as modified by the revaluation of certain fixed assets) 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 of those statements and to report our opinion to you.

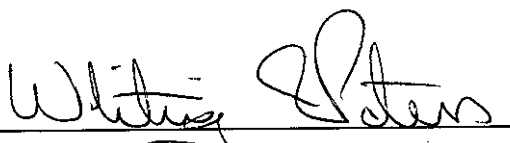
Basis of Opinion

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.

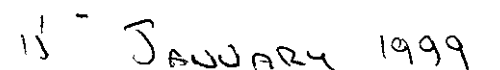
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity 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 at 31 March 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Registered Auditors

Whiting and Partners
Chartered Accountants


Date

31 Priestgate
Peterborough PE1 1JL

PIRMO CHEMISTS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1998

	<u>NOTES</u>	<u>1998</u> £	<u>1997</u> £
<u>TURNOVER-</u>			
<u>CONTINUING OPERATION</u>	2	859,192	652,801
Cost of Sales		(686,500)	(513,262)
<u>GROSS PROFIT-</u>			
<u>CONTINUING OPERATION</u>		172,692	139,539
Administrative Expenses	3	(140,477)	(114,296)
<u>OPERATING PROFIT</u>	4	32,215	25,243
Interest Receivable	5	1,010	946
Interest Payable	6	(82)	(18)
<u>EXCEPTIONAL ITEMS</u>		33,143	26,171
Profit on Sale of Fixed Assets	7	-	344
<u>PROFIT ON ORDINARY</u>			
<u>ACTIVITIES BEFORE TAXATION</u>		33,143	26,515
Taxation	8	(8,158)	(7,483)
<u>PROFIT ON ORDINARY</u>			
<u>ACTIVITIES AFTER TAXATION</u>		24,985	19,032
Dividends		(6,400)	(6,400)
<u>PROFIT TRANSFERRED TO RESERVES</u>		18,585	12,632
Earnings Per Share		185.85	126.32

Statement Of Movements On Reserves Appears In Note 18 To The Financial Statements

Notes:

1. Apart from the profit for the financial period there were no other recognised gains or losses.
2. Apart from the profit for the financial year there were no other historical cost profits and losses.

The Notes on Pages 7 to 12 form part of these Financial Statements.

PIRMO CHEMISTS LIMITED**BALANCE SHEET AS AT 31 MARCH 1998**

	NOTE	<u>1998</u>		<u>1997</u>	
		£	£	£	£
<u>FIXED ASSETS</u>					
Tangible Assets	9		5,205		12,649
<u>CURRENT ASSETS</u>					
Stocks	10	34,940		31,090	
Debtors	11	170,757		119,834	
Investments	12	49		49	
Cash at Bank and in Hand		34,523		36,603	
		<u>240,269</u>		<u>187,576</u>	
<u>CREDITORS</u>					
Amounts Falling Due Within One Year	13	(175,832)		(149,168)	
<u>NET CURRENT ASSETS</u>					
			64,437		38,408
			<u>69,642</u>		<u>51,057</u>
<u>CREDITORS</u>					
Amounts Falling Due After More Than One Year	14		-		-
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>					
			<u>69,642</u>		<u>51,057</u>
<u>CAPITAL AND RESERVES</u>					
Called Up Share Capital	17		100		100
Profit And Loss Account			69,542		50,957
<u>TOTAL CAPITAL AND RESERVES</u>					
	18		<u>69,642</u>		<u>51,057</u>

Approved By The Board Of Directors On:

16 January 1999

 AMIR PIRMOHAMED
 DIRECTOR

The Notes on Pages 7 to 12 form part of these Financial Statements.

PIRMO CHEMISTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 1998****1. ACCOUNTING POLICIES****(a) ACCOUNTING CONVENTION**

The accounts have been prepared under the Historical Cost Convention.

(b) TURNOVER

Turnover represents amounts receivable for goods and services provided, net of discounts and VAT.

(c) TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost or valuation, less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Fixtures and Fittings - over 5 years
Equipment - over 5 years
Motor Vehicles - over 4 years
Building Alterations - over 5 years

(d) STOCKS

Stocks are stated at the lower of cost and net realisable value. Cost is arrived at as follows:

Goods for resale - purchase cost on a first-in, first-out basis

Net realisable value is based on estimated selling price less further costs expected to be incurred before sale.

(e) PENSION COSTS

The costs of providing retirement pensions and other benefits are charged to the Profit and Loss Account when the contributions become payable.

(f) DEFERRED TAXATION

Provision is made for deferred taxation using the liability method to take account differences between the income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

PIRMO CHEMISTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 1998 continued...****(g) COMPLIANCE WITH ACCOUNTING STANDARDS**

The Financial Statements have been prepared in accordance with applicable accounting standards. However, the Company has taken advantage of the exception in Financial Reporting Standard No. 1 Para 5 (a) from producing a Cash Flow Statement on the grounds that it is a small Company.

2. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

As the Company is engaged substantially in one class of business in the United Kingdom, no analysis of turnover or profit has been provided.

3. <u>ADMINISTRATIVE EXPENSES</u>	1998	1997
	£	£
Staff Costs (See Note 19)	76,831	59,499
Other Operating Charges	63,646	54,797
	<hr/>	<hr/>
	140,477	114,296
	<hr/>	<hr/>
4. <u>OPERATING PROFIT</u>	1998	1997
	£	£
The operating profit is stated after charging:		
Depreciation: Owned Fixed Assets	9,444	9,339
Auditor's Remuneration	560	500
	<hr/>	<hr/>
	10,004	9,839
	<hr/>	<hr/>
5. <u>INTEREST RECEIVABLE</u>	1998	1997
	£	£
Bank Deposit Interest (Paid Gross)	1,010	946
	<hr/>	<hr/>
6. <u>INTEREST PAYABLE</u>	1998	1997
	£	£
Interest payable to bank on overdraft repayable with 5 years, not by instalments:	-	18
Interest on Corporation Tax	82	-
	<hr/>	<hr/>
	82	18
	<hr/>	<hr/>

PIRMO CHEMISTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 1998 continued...****7. EXCEPTIONAL ITEM**

	1998	1997
	£	£
Profit on Sale of Fixed Assets	-	344

8. TAXATION

	1998	1997
	£	£
Corporation Tax 21% (1997 - 24%) on profit adjusted for tax purposes:	8,158	7,495
Adjustment in respect of previous years:	-	(12)
	8,158	7,483

9. TANGIBLE FIXED ASSETS

	<u>FIXTURES & FITTINGS</u>	<u>EQUIPMENT & ALARM SYS</u>	<u>MOTOR VEHICLES</u>	<u>BLDGS & ALT'S</u>	<u>TOTAL</u>
	£	£	£	£	£
COST or VALUATION					
At 1 April 1997	26,801	9,173	6,450	27,503	69,927
Additions	-	-	2,000	-	2,000
Disposals	-	-	-	-	-
At 31 March 1998	26,801	9,173	8,450	27,503	71,927
DEPRECIATION					
At 1 April 1997	24,198	7,327	2,225	23,528	57,278
Charge for the Year	2,402	1,042	2,113	3,887	9,444
Disposals	-	-	-	-	-
At 31 March 1998	26,600	8,369	4,338	27,415	66,722
NET BOOK VALUE					
At 31 March 1998	201	804	4,112	88	5,205
At 31 March 1997	2,603	1,846	4,225	3,975	12,649

PIRMO CHEMISTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 1998 continued...**

10. <u>STOCKS</u>	1998	1997
	£	£
Goods for Resale and Dispensing	<u>34,940</u>	<u>31,090</u>
11. <u>DEBTORS</u>	1998	1997
	£	£
Trade Debtors	147,841	104,710
Other Debtors and Prepayments	22,916	15,124
	<u>170,757</u>	<u>119,834</u>
12. <u>INVESTMENTS</u>	1998	1997
	£	£
Listed in the UK cost	<u>49</u>	<u>49</u>
Market Value	<u>372</u>	<u>223</u>
Tax on Potential Capital Gain if Sold At Market Value	<u>68</u>	<u>42</u>
13. <u>CREDITORS</u>	1998	1997
	£	£
Amounts falling due within one year:		
Bank Overdraft	128,317	105,541
Trade Creditors	29,301	15,205
Other Creditors	6,607	16,904
Accruals and Deferred Income	3,449	4,023
Corporation Tax	8,158	7,495
	<u>175,832</u>	<u>149,168</u>

The bank overdraft is secured by Personal Assets and Guarantees given by the two Directors.

14. <u>CREDITORS</u>	1998	1997
	£	£
Amounts falling due after more than one year:		
	<u>-</u>	<u>-</u>

PIRMO CHEMISTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 1998 continued...****15. DEFERRED TAXATION**

There is no provision for Deferred Taxation, as the Tax written down value of assets exceeds their balance sheet value.

16. PENSION COSTS

The Company operates a defined contribution scheme in respect of the Directors. The Pension cost charge represents contributions payable by the Company to the scheme and amounted to £1,200 (1997 £1,200). There were no contributions outstanding at 31 March 1998.

17. SHARE CAPITAL

Authorised and allotted share capital

At 31 March 1998 and At 31 March 1997

	<u>Authorised</u>	<u>Allotted, Called Up</u>
	<u>Number</u>	<u>and Fully Paid</u>
		<u>£</u>
£1 Ordinary Shares	<u>1,000</u>	<u>100</u>

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	1998	1997
	£	£
Profit for the financial year	18,585	12,632
Shareholders funds at 31 March 1997	51,057	38,425
Shareholders Funds at 31 March 1998	<u>69,642</u>	<u>51,057</u>

19. EMPLOYEES AND DIRECTORS

	<u>1998</u>	<u>1997</u>
a) <u>Employees</u>		
The average number of employees (including Directors) employed by the Company during the year was:	<u>12</u>	<u>9</u>
Costs in Respect of these employees	£	£
Wages and salaries	71,612	55,348
Social Security Costs	4,019	2,951
Other Pension Costs	1,200	1,200
	<u>76,831</u>	<u>59,499</u>

PIRMO CHEMISTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 1998 continued...****19. EMPLOYEES AND DIRECTORS (CONTINUED)**

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
b) <u>Directors</u>		
Emoluments	5,700	3,170
Pension Costs	1,200	1,200
	<u>6,900</u>	<u>4,370</u>

In addition to the income shown here and the dividends shown in the profit and loss account, the Directors received income from other sources in excess of £50,000.

c) Interest in Transaction

The properties occupied by the Company are owned by a Director who is paid rent of £16,800 (1997 £16,800).