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PIRMO CHEMISTS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 1996

WHITING & PARTNERS

CHARTERED ACCOUNTANTS

31 PRIESTGATE

PETERBOROUGH

PE1 1JL



PIRMO CHEMISTS LIMITED

REPORT AND FINANCIAL STATEMENTS

31 MARCH 1996

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PIRMO CHEMISTS LIMITED

COMPANY INFORMATION

Company Registration 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 Old Fletton 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 1996

FINANCIAL STATEMENTS

The Directors present their report and Financial Statements for the year ended 31 March 1996.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

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

The Directors are pleased to note that the Company has made a good profit during the year despite the shrinkage in the sales and the retail pharmacy section due to increasing competition from major supermarkets such as Asda, Sainsburys etc.

RESULTS AND DIVIDENDS

The Profit for the Year after Taxation amounted to £26,637. The Directors recommend that no Dividend be declared and the full amount be carried forward in reserves.

FIXED ASSETS

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

PIRMO CHEMISTS LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 1996
(CONTINUED)

DIRECTORS AND INTERESTS IN SHARES

The Directors who held office at 31 March 1996 had the following interests in the shares of the Company at the beginning and end of the Financial Period:

	<u>£1 Ordinary Shares</u> <u>Fully Paid</u>
	<u>1996</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 25th January 1997


.....
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 not 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.

AUDITORS' REPORT
TO THE SHAREHOLDERS OF FIRMO CHEMISTS LIMITED

We have audited the Financial Statements on pages 6 to 14 which have been prepared under the Historical Cost Conventions and the Accounting Policies set out on page 8.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 4, 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.

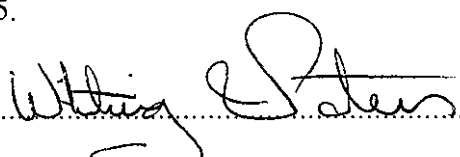
We planned and performed our Audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity 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 the 31 March 1996 and of its Profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Date 27 1 97

Whiting and Partners
Chartered Accountants
31 Priestgate
Peterborough
PE1 1JL


.....
Registered Auditors

PIRMO CHEMISTS LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 MARCH 1996**

	<u>NOTE</u>	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
<u>TURNOVER</u> continuing operation	2	552,656	457,189
Cost of Sales		(435,262)	(357,139)
		<hr/>	<hr/>
<u>GROSS PROFIT</u> continuing operation		117,394	100,050
Administrative Expenses	3	(89,882)	(82,665)
		<hr/>	<hr/>
<u>OPERATING PROFIT</u>	4	27,512	17,385
Interest Receivable	5	121	-
Interest payable	6	(1,346)	(2,218)
		<hr/>	<hr/>
<u>EXCEPTIONAL ITEM</u>		26,287	15,167
Profit on Sale of Investment	7	9,750	-
		<hr/>	<hr/>
<u>PROFIT ON ORDINARY</u> <u>ACTIVITIES BEFORE TAXATION</u>		36,037	15,167
Taxation	8	(9,400)	(4,490)
		<hr/>	<hr/>
<u>RETAINED PROFIT FOR THE YEAR</u>		<u>26,637</u>	<u>10,227</u>

STATEMENT OF MOVEMENT ON RESERVES
APPEARS IN NOTE 17 TO THE FINANCIAL
STATEMENTS

<u>EARNINGS PER SHARE</u>	<u>£266.37</u>	<u>£102.27</u>
	<u>=====</u>	<u>=====</u>

- NOTES**
- 1 Apart from the Profit for the Financial Year there are no other recognised gains or losses.
 - 2 Apart from the Profit for the Financial Year there are no other historical cost profits or losses.

The notes on pages 8 to 14 form part of these Financial Statements

PIRMO CHEMISTS LIMITED**BALANCE SHEET AS AT 31 MARCH 1996**

	<u>NOTE</u>	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
<u>FIXED ASSETS</u>			
Tangible Assets	9	17,781	20,501
<u>CURRENT ASSETS</u>			
Stocks	10	26,670	31,420
Debtors	11	93,410	85,805
Investments	12	49	2,764
Cash at Bank and in Hand		2,634	2,062
		<hr/>	<hr/>
		122,763	122,051
<u>CREDITORS: Amounts falling due within one year</u>	13	(102,119)	(123,714)
		<hr/>	<hr/>
<u>NET CURRENT ASSETS / (LIABILITIES)</u>		20,644	(1,663)
		<hr/>	<hr/>
		38,425	18,838
<u>CREDITORS: Amounts falling due after more than one year</u>	14	-	(7,050)
		<hr/>	<hr/>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		38,425	11,788
		<hr/>	<hr/>
<u>CAPITAL AND RESERVES</u>			
Called Up Share Capital	17	100	100
Profit and Loss Account		38,325	11,688
		<hr/>	<hr/>
<u>TOTAL CAPITAL & RESERVES</u>	18	38,425	11,788
		<hr/>	<hr/>

Approved by the Board of Directors on: 25th January 1997



 AMIR PIRMOHAMED
 DIRECTOR

The notes on pages 8 to 14 form part of these Financial Statements

PIRMO CHEMISTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 1996****1 ACCOUNTING POLICIES****(a) Accounting Convention**

The Financial Statements are 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 or 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 of timing differences between the incidence of Income and Expenditure for Taxation and Accountancy purposes except to the extent that the Directors consider that a liability to Taxation is unlikely to crystallize.

PIRMO CHEMISTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1996
(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 exemption in Financial Reporting Standard No. 1 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>	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
	Staff costs	33,695	12,146
	Other operating charges	56,187	70,519
		<hr/>	<hr/>
		89,882	82,665
		<hr/>	<hr/>
4	<u>OPERATING PROFIT</u>	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
	Operating profit is stated after charging:		
	Depreciation: owned fixed assets	6,557	10,138
	Auditors' remuneration	500	350
		<hr/>	<hr/>
5	<u>INTEREST RECEIVABLE</u>	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
	Bank Deposit Interest (Paid Gross)	31	-
	Other Interest (Paid under deduction of tax)	90	-
		<hr/>	<hr/>
		121	-
		<hr/>	<hr/>
6	<u>INTEREST PAYABLE</u>	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
	Interest payable to bank on overdraft repayable within 5 years, not by instalments	552	1,680
	Interest payable on bank loan over 5 years by instalments. (Loan repaid during the year)	775	538
	Interest on Corporation Tax	19	-
		<hr/>	<hr/>
		1,346	2,218
		<hr/>	<hr/>

PIRMO CHEMISTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1996
(CONTINUED)

7	<u>EXCEPTIONAL ITEM</u>	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
	Profit on Sale of Investment	9,750 =====	- =====
	The Details are:		
	UK Listed Investment Cost	2,715	-
	Sold for	12,465	-
	Profit on Sale	9,750 =====	- =====
8	<u>TAXATION</u>	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
	Corporation Tax at 25% on profit adjusted for tax purposes	9,400	5,132
	Adjustment in Respect of previous Years	-	(192)
		9,400 =====	4,940 =====

PIRMO CHEMISTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 1996****(CONTINUED)**9 **TANGIBLE FIXED ASSETS**(a) **Summary**

	<u>Fixtures and Fittings</u>	<u>Equipment and Alarm Systems</u>	<u>Motor Vehicles ations</u>	<u>Building Alter-</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
COST OR VALUATION					
At 1 April 1995	26,424	7,750	825	27,503	62,502
Additions	253	1,134	2,450		3,837
Disposals	—	—	—	—	—
At 31 March 1996	26,677	8,884	3,275	27,503	66,339
	—	—	—	—	—
DEPRECIATION					
At 1 April 1995	20,582	5,290	412	15,717	42,001
Charge for the Year	822	992	819	3,924	6,557
Disposals	—	—	—	—	—
At 31 March 1996	21,404	6,282	1,231	19,641	48,558
	—	—	—	—	—
NET BOOK VALUE					
At 31 March 1996	5,273	2,602	2,044	7,862	17,781
	=====	=====	=====	=====	=====
At 31 March 1995	5,842	2,460	413	11,786	20,501
	=====	=====	=====	=====	=====

10 **STOCKS**

	<u>1996 £</u>	<u>1995 £</u>
Goods for Resale and Dispensing	26,670	31,420
	=====	=====

PIRMO CHEMISTS LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 MARCH 1996(CONTINUED)

11	<u>DEBTORS</u>	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
	Trade debtors	81,550	74,818
	Other debtors and Prepayments	11,860	10,987
		-----	-----
		93,410	85,805
		=====	=====
12	<u>INVESTMENTS</u>	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
	Listed in the U.K., cost	49	2,764
		=====	=====
	Market Value	237	12,570
		=====	=====
	Tax on Potential Capital Gain if Sold at Market Value	47	2,451
		=====	=====
13	<u>CREDITORS: Amounts falling due within one year</u>	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
	Bank Overdraft	72,166	100,976
	Trade Creditors	15,770	-
	Other Creditors	3,345	15,636
	Accruals and Deferred Income	1,460	1,070
	Corporation Tax	9,378	5,132
	Bank Loan	-	900
		-----	-----
		102,119	123,714
		=====	=====
	The Bank Overdraft is secured by Personal Assets and Guarantees given by the two Directors.		
14	<u>CREDITORS: Amounts falling due after more than one year</u>	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
	Bank Loan repayable by instalment	-	3,600
	Falling due between one and five years	-	3,450
		-----	-----
		-	7,050
		=====	=====

PIRMO CHEMISTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 1996****(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 £1200 (1995 £1200). There were no contributions outstanding at 31 March 1996.

17 **SHARE CAPITAL**

Authorised and allotted share capital:

At 31 March 1996 and 31 March 1995

	<u>Authorised</u>	<u>Allotted, called up and fully paid</u>
	<u>Number</u>	<u>£</u>
£1 ordinary shares	<u>1,000</u>	<u>100</u>

18 **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS**

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Profit for the financial year	26,637	10,227
Shareholders funds at 31 March 1995	11,788	1,561
Shareholders funds at 31 March 1996	<u>38,425</u>	<u>11,788</u>

PIRMO CHEMISTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 1996****(CONTINUED)**19 **EMPLOYEES AND DIRECTORS**(a) **Employees** **1996** **1995**

The average weekly number of persons
(including directors) employed by the
company during the period was:

	7	5
	=====	=====

Costs in respect of these employees:

	<u>£</u>	<u>£</u>
Wages and Salaries	31,004	10,946
Social Security Costs	1,491	-
Other Pension Costs	1,200	1,200
	-----	-----
	33,695	12,146
	=====	=====

(b) **Directors** **1996** **1995**
£ **£**

Emoluments:

	2,880	2,880
Management Remuneration	1,200	1,200
Pension Costs	-----	-----
	4,080	4,080
	=====	=====

(c) **Interest in Transaction**

The properties occupied by the Company are owned by the Director who is paid rent of £16,800 (1995: £16,800).