

Primelight Limited

FINANCIAL STATEMENTS

for the year ended

31 August 1997



Primelight Limited

DIRECTORS AND OFFICERS

DIRECTORS

A I Patel

Y I Patel

SECRETARY

A I Patel

COMPANY NUMBER

2576058 (England and Wales)

REGISTERED OFFICE

109 North Road

Clayton

Manchester

M11 4NE

AUDITORS

Baker Tilly

Brazennose House

Lincoln Square

Manchester

M2 5BL

Primelight Limited

DIRECTORS' REPORT

The directors interests their report and financial statements of Primelight Limited for the year ended 31 August 1997.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of the provision of management services. No further development of the business is contemplated.

REVIEW OF THE BUSINESS

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £24,291.

The directors do not recommend payment of an ordinary dividend.

DIRECTORS

The following directors have held office since 1 September 1996:-

A I Patel

Y I Patel

DIRECTORS' INTERESTS IN SHARES

Directors' interests in the shares of the company, including family interests, were as follows:

	<i>Ordinary shares of £1 each</i>	
	31.8.97	1.9.96
A I Patel	1	1
Y I Patel	1	1

AUDITORS

Baker Tilly were appointed auditors to the company and in accordance with Section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

By order of the board

Y I Patel

Director

12.6.98

Primelight Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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.

AUDITORS' REPORT TO THE SHAREHOLDERS OF PRIMELIGHT LIMITED

We have audited the financial statements on pages 5 to 11.

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 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 August 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


BAKER TILLY

Registered Auditor
Chartered Accountants
Brazennose House
Lincoln Square
Manchester
M2 5BL

12.6.98

Primelight Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 August 1997

	<i>Notes</i>	1997 £	1996 £
TURNOVER	1	54,000	54,000
Other operating expenses	2	5,087	4,842
OPERATING PROFIT		48,913	49,158
Interest payable and similar charges	3	16,509	17,648
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	32,404	31,510
Taxation	6	8,113	7,828
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	12	24,291	23,682

The operating profit for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

Primelight Limited

BALANCE SHEET

31 August 1997

	Notes	1997 £	1996 £
FIXED ASSETS			
Investments	7	341,259	341,259
CURRENT ASSETS			
Debtors	8	97,059	68,074
		<u>97,059</u>	<u>68,074</u>
CREDITORS: Amounts falling due within one year	9	96,629	49,127
		<u>96,629</u>	<u>49,127</u>
NET CURRENT ASSETS		430	18,947
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>341,689</u>	<u>360,206</u>
CREDITORS: Amounts falling due after more than one year	10	(210,507)	(253,315)
		<u>131,182</u>	<u>106,891</u>
CAPITAL AND RESERVES			
Called up share capital	11	2	2
Profit and loss account	12	131,180	106,889
		<u>131,182</u>	<u>106,891</u>
SHAREHOLDERS' FUNDS	13	<u>131,182</u>	<u>106,891</u>

Approved by the board on 12.6.98

Y I Patel

Director

Primelight Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards.

INVESTMENTS

Fixed asset investments are stated at cost less provision for diminution in value.

GROUP ACCOUNTS

The company and its subsidiary undertaking comprise a medium-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

Primelight Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 1997

1. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and profit before taxation were all derived from its principal activity wholly undertaken in the United Kingdom.

2. OTHER OPERATING EXPENSES

	1997 £	1996 £
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Administrative expenses	5,087	4,842
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3. INTEREST PAYABLE

	1997 £	1996 £
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On bank overdrafts	636	40
On bank loans	15,873	17,272
On overdue tax	-	336
	<u>16,509</u>	<u>17,648</u>

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1997 £	1996 £
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Profit on ordinary activities before taxation is stated after charging/(crediting):

Auditors' remuneration	400	300
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5. EMPLOYEES

There were no employees during the year apart from the directors

DIRECTORS' REMUNERATION

	1997 £	1996 £
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Directors' fees	3,400	2,000
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6. TAXATION

	1997 £	1996 £
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Based on the profit for the year:

U.K. Corporation tax at 24% (1996 - 24%)	8,113	7,828
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Primelight Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 1997

7. FIXED ASSET INVESTMENTS

	<i>Shares in subsidiary undertakings £</i>
Cost	
1 September 1996 and 31 August 1997	341,259

In the opinion of the directors the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Scholes (Chemists) Limited	England	£1 ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
Scholes (Chemists) Limited	2,073,130	768,701

8. DEBTORS

	1997 £	1996 £
Due within one year		
Amounts owed by group undertakings	97,059	68,074

9. CREDITORS: Amounts falling due within one year

	1997 £	1996 £
Bank loans and overdrafts	63,600	28,497
Corporation tax	15,941	7,828
Other taxes and social security costs	7,000	-
Directors' current accounts	5,012	8,612
Accruals and deferred income	5,076	4,190
	96,629	49,127

Primelight Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 1997

10. CREDITORS: Amounts falling due in more than one year	1997 £	1996 £
Bank loans	181,299	200,307
Other loans	29,208	53,008
	<u>210,507</u>	<u>253,315</u>
Loans		
Not wholly repayable within five years by instalments:		
National Westminster bank loan	205,895	223,564
Wholly repayable within five years	29,208	53,008
	<u>235,103</u>	<u>276,572</u>
Included in current liabilities	(24,596)	(23,257)
	<u>210,507</u>	<u>253,315</u>
Loan maturity analysis:		
Between one and two years	25,936	24,596
Between two and five years	114,482	111,782
In five years or more	40,881	63,929
	<u></u>	<u></u>

The company is party to a composite guarantee to the National Westminster Bank in conjunction with related companies under common control. Repayments are to be made by instalments over 10 years but all loans are repayable on demand.

Bank interest is charged at 1.25% above bank base rate.

Other loans relates to the amounts owed to Gorgemead Limited, deemed a related company as it is under common directorship.

11. SHARE CAPITAL	1997 £	1996 £
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
	<u></u>	<u></u>
Allotted, issued and fully paid		
2 Ordinary shares of £1 each	2	2
	<u></u>	<u></u>

Primelight Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 1997

12. STATEMENT OF MOVEMENT ON RESERVES

	<i>Profit and loss account</i> £
1 September 1996	106,889
Retained profit for the year	24,291
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31 August 1997	131,180
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13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997 £	1996 £
Profit for the financial year	24,291	23,682
Opening shareholders' funds	106,891	83,209
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Closing shareholders' funds	131,182	106,891
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