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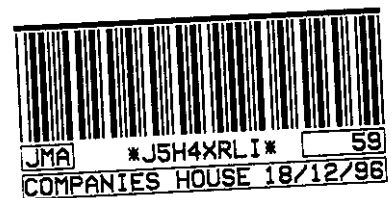
Company Registration Number

2579005

NEIL FERGUSON (CHEMIST) LIMITED

ACCOUNTS

For the year ended 31 March 1996



COOPER LANCASTER BREWERS
Chartered Accountants
MANCHESTER

NEIL FERGUSON (CHEMIST) LIMITED

Directors

**Brian S Sheppard
Patricia A Sheppard
John G Ottolini
Mark B B Sheppard**

Appointed 1 November 1996

Secretary

Brian S Sheppard

Auditors

**Cooper Lancaster Brewers
Manchester**

Bankers

**T S B Bank plc
Manchester**

Registered Office

**Charlotte House
10 Charlotte Street
Manchester
M1 4FL**

NEIL FERGUSON (CHEMIST) LIMITED

Report of the Directors

The Directors submit their report to the shareholders, together with the audited accounts, for the year ended 31 March 1996.

Review of the Business

The principal activities of the Company, and its wholly owned subsidiary, are those of retail and dispensing chemists. The trade of the subsidiary undertaking was transferred to the parent company on 5 February 1996.

Directors' Interests

The Directors who served during the year and their interests in the share capital of the Company at the beginning and end of the year, or date of appointment, were as follows :

		Ordinary shares of £1 each	
		1996	1995
Brian S Sheppard	Non beneficial	1,501	1,501
Patricia A Sheppard		Nil	Nil
John G Ottolini		Nil	Nil
Mark B B Sheppard	Appointed 1 November 1996	1,499	—

Post Balance Sheet Event


In July 1996, the trade of the Chester shop was sold to Boots plc for a consideration of £200,000.

Auditors

Cooper Lancaster Brewers have indicated their agreement to continue as auditors.

This report has been prepared taking advantage of the exemptions conferred by Part II of Schedule 8 of the Companies Act 1985.

Charlotte House
10 Charlotte Street
Manchester M1 4FL
18 November 1996

 By Order of the Board
BS SHEPPARD
Secretary

NEIL FERGUSON (CHEMIST) LIMITED

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 the Group and of the profit or loss of the Group for that period. In preparing those financial statements, the Directors are required to :

- select suitable accounting policies and then apply them consistently
- make judgments and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 Group 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS REPORT

To the Shareholders of NEIL FERGUSON (CHEMIST) LIMITED

We have audited the financial statements on pages 5 to 14.

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 judgments 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 affairs of the Company and the Group at 31 March 1996, and of the loss of the Group for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies and groups.


COOPER LANCASTER BREWERS

Chartered Accountants
Registered Auditors

18 November 1996

NEIL FERGUSON (CHEMIST) LIMITED

Consolidated Profit and Loss Account For the year ended 31 March 1996

	Note	1996 £	1995 £
Turnover	1	1,468,020	1,472,226
Cost of sales		(1,183,000)	(1,165,304)
Gross profit		285,020	306,922
Net operating expenses	2	(381,470)	(357,180)
Operating loss – Continuing operations		(96,450)	(50,258)
Profit on disposal of investments		1,617	1,316
Loss on ordinary activities before interest	3	(94,833)	(48,942)
Interest receivable		1,052	2,526
Interest payable		(273)	(1,440)
Loss on ordinary activities before taxation		(94,054)	(47,856)
Taxation on ordinary activities	4	—	1,719
Loss on ordinary activities after taxation		(94,054)	(46,137)
Transfer from reserves	5 / 11	(94,054)	(46,137)

Statement of Total Recognised Gains and Losses

There are no recognised gains and losses, other than the loss for the year.



NEIL FERGUSON (CHEMIST) LIMITED

Consolidated Balance Sheet At 31 March 1996

	Note	1996 £	1995 £
Fixed assets			
Tangible assets	6	179,184	171,787
Current assets			
Stock		98,024	112,122
Debtors	7	174,120	165,503
Investments	8	—	—
Cash at bank and in hand		1,048	19,367
		273,192	296,992
Creditors			
Amounts falling due within one year	9	(319,593)	(241,942)
Net current (liabilities) assets		(46,401)	55,050
Total assets less current liabilities		132,783	226,837
Capital and reserves			
Called up share capital	10	3,000	3,000
Share premium account		277,486	277,486
Profit and loss account	11	(147,703)	(53,649)
Total shareholders' funds	12	132,783	226,837

The Directors have taken advantage of the exemptions conferred by Part I of Schedule 8 of the Companies Act 1985 and have done so on the grounds that, in their opinion, the Group is entitled to these exemptions as a small group.

These accounts were approved by the Directors :

 B S SHEPPARD)
 J G OTTOLINI) Directors

18 November 1996

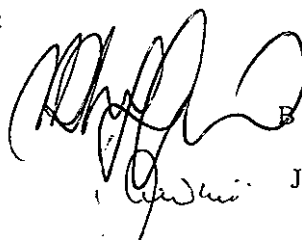
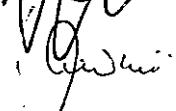
NEIL FERGUSON (CHEMIST) LIMITED

Balance Sheet At 31 March 1996

	Note	1996 £	1995 £
Fixed assets			
Tangible assets	6	179,184	170,667
Investments :			
Subsidiary undertakings	8	4,858	15,962
		184,042	186,629
Current assets			
Stock		98,024	86,128
Debtors	7	169,262	186,219
Investments	8	—	—
Cash at bank and in hand		1,048	19,297
		268,334	291,644
Creditors			
Amounts falling due within one year	9	(319,593)	(240,602)
Net current (liabilities) assets		(51,259)	51,042
Total assets less current liabilities		132,783	237,671
Capital and reserves			
Called up share capital	10	3,000	3,000
Share premium account		277,486	277,486
Profit and loss account	11	(147,703)	(42,815)
Total shareholders' funds	12	132,783	237,671

The directors have taken advantage of the exemptions conferred by Part I of Schedule 8 of the Companies Act 1985 and have done so on the grounds that, in their opinion, the Company is entitled to these exemptions as a small company.

These accounts were approved by the Directors :

 B S SHEPPARD)
 J G OTTOLINI)

Directors

18 November 1996

NEIL FERGUSON (CHEMIST) LIMITED

Statement of Accounting Policies

Accounting convention

The accounts have been prepared using the historical cost basis of accounting in accordance with applicable Accounting Standards .

Basis of consolidation

The consolidated accounts include the accounts of the Company and its wholly-owned subsidiary, Parcote Limited, made up to 31 March 1996.

A separate profit and loss account for the parent company is not presented as provided by Section 230 of the Companies Act 1985.

Depreciation

Depreciation is provided annually on a straight line basis over the estimated useful lives of fixed assets. The principal rates in use are :

Freehold land and buildings	Nil
Equipment and fixtures	10% – 20%
Motor vehicles	25%

No depreciation is charged on freehold land and buildings as the market value is in excess of book value. Although this does not conform with standard accounting practice, the Directors consider that this is appropriate to give a true and fair view.

Stock

Stock is professionally valued at the lower of cost and net realisable value.

Hire purchase contracts and operating leases

Assets acquired under hire purchase contracts are capitalised under tangible fixed assets and the related obligations are disclosed under creditors.

Operating lease rentals are charged as an expense in the profit and loss account as incurred.

NEIL FERGUSON (CHEMIST) LIMITED

Statement of Accounting Policies (continued)

Deferred taxation

Deferred taxation is provided where, in the opinion of the Directors, a liability is likely to arise in the foreseeable future.

Cash flow statement

The Company has taken advantage of the exemptions conferred by Financial Reporting Standard No 1 and has not produced a cash flow statement on the grounds that it is a small group.

Pensions

Pension costs are accounted for on the basis of charging the cost of providing pensions over the period during which the Company benefits from employees' services.

NEIL FERGUSON (CHEMIST) LIMITED

Notes on the Accounts At 31 March 1996

	1996 £	1995 £
1 Turnover		
Turnover represents the amounts receivable for goods and services supplied, exclusive of value added tax, all in the United Kingdom.		
2 Net operating expenses		
Administrative and establishment expenses	392,210	367,920
Management fees	(10,740)	(10,740)
	<u>381,470</u>	<u>357,180</u>
3 Operating loss		
This is stated after charging the following :		
Directors' remuneration	105,435	94,081
Auditors' remuneration	3,900	4,000
Depreciation	8,991	9,727
Hire of equipment and operating leases	3,581	2,886
	<u></u>	<u></u>
4 Taxation		
U K corporation tax at 25% on loss for the year	—	—
Prior years :		
Corporation tax	—	(1,719)
	<u>—</u>	<u>(1,719)</u>
5 (Loss) profit for the year		
Parent undertaking	(93,784)	(46,188)
Subsidiary undertaking	(270)	51
	<u>(94,054)</u>	<u>(46,137)</u>

NEIL FERGUSON (CHEMIST) LIMITED

Notes on the Accounts (continued) At 31 March 1996

	Freehold land and buildings £	Equipment & fixtures £	Motor vehicles £	Total £
6 Tangible fixed assets				
Group – Cost :				
At 1 April 1995	152,208	30,252	50,367	232,827
Additions	—	16,388	—	16,388
Disposals	—	—	—	—
At 31 March 1996	152,208	46,640	50,367	249,215
Depreciation :				
At 1 April 1995	—	25,939	35,101	61,040
Provided during the year	—	1,026	7,965	8,991
Disposals	—	—	—	—
At 31 March 1996	—	26,965	43,066	70,031
Net book value :				
At 31 March 1996	152,208	19,675	7,301	179,184
At 31 March 1995	152,208	4,313	15,266	171,787
Company – Cost :				
At 1 April 1995	152,208	24,339	50,367	226,914
Additions	—	16,388	—	16,388
Group transfers	—	5,913	—	5,913
At 31 March 1996	152,208	46,640	50,367	249,215
Depreciation :				
At 1 April 1995	—	21,146	35,101	56,247
Provided during the year	—	827	7,965	8,792
Group transfers	—	4,992	—	4,992
At 31 March 1996	—	26,965	43,066	70,031
Net book value :				
At 31 March 1996	152,208	19,675	7,301	179,184
At 31 March 1995	152,208	3,193	15,266	170,667

The net book value of assets included above for both the parent and the group, purchased under hire purchase agreements, is £Nil (1995 – £Nil). The depreciation charged on those assets is £Nil (1995 – £7,301).

NEIL FERGUSON (CHEMIST) LIMITED

Notes on the Accounts (continued) At 31 March 1996

	1996 £	Group 1995 £	1996 £	Company 1995 £
7 Debtors				
Trade debtors	110,962	118,661	110,962	68,291
Subsidiary undertaking	—	—	(4,858)	71,330
Value added tax	45,845	30,782	45,845	30,782
Other debtors	517	2,771	517	2,771
Prepayments and accrued income	16,796	13,289	16,796	13,045
	<u>174,120</u>	<u>165,503</u>	<u>169,262</u>	<u>186,219</u>

8 Investment — Subsidiary undertaking

At cost

At 1 April 1995	15,962	15,962
Diminution in value	(11,104)	—
At 31 March 1996	<u>4,858</u>	<u>15,962</u>

	% ordinary share capital held	Principal Activity
Parcote Limited	100	Dispensing chemists

The subsidiary undertaking is registered in England.

Current asset investments

Investments : Listed on a recognised Stock Exchange

	1996 £	Group 1995 £	1996 £	Company 1995 £
At 1 April 1995	—	5,783	—	5,783
Additions during the year	15,750	—	15,750	—
Disposals during the year	(15,750)	(5,783)	(15,750)	(5,783)
At 31 March 1996	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

The market value of the investments is £Nil (1995—£Nil)

NEIL FERGUSON (CHEMIST) LIMITED

Notes on the Accounts (continued) At 31 March 1996

	1996	Group 1995 £	1996	Company 1995 £
9 Creditors				
Due within one year :				
Bank overdraft	2,666	—	2,666	—
Trade creditors	200,699	216,230	200,699	216,230
Taxation payable	—	(9,010)	—	(9,010)
Other taxes and social security	32,770	27,223	32,770	27,223
Other creditors	76,508	732	76,508	732
Accruals and deferred income	6,950	6,767	6,950	5,427
	319,593	241,942	319,593	240,602
10 Share capital				
Authorised :				
Ordinary shares of £1 each		100,000		100,000
Allotted, called up and fully paid :				
Ordinary shares of £1 each		3,000		3,000
		Group £		Company £
11 Profit and loss account				
At 1 April 1995		(53,649)		(42,815)
Loss for the year		(94,054)		(104,888)
At 31 March 1996		(147,703)		(147,703)
12 Reconciliation of movements in shareholders' funds				
Net loss for the year		(94,054)		(104,888)
Dividends		—		—
		(94,054)		(104,888)
At 1 April 1995		226,837		237,671
At 31 March 1996		132,783		132,783

NEIL FERGUSON (CHEMIST) LIMITED

Notes on the Accounts (continued) At 31 March 1996

	1996 £	1995 £
13 Leasing commitments		
At 31 March 1996, the Group had annual commitments under non-cancellable operating leases as follows :		
Operating leases which expire :		
Plant and equipment		
Within 1 year	—	1,443
1 — 5 years	4,454	—
	<u>4,454</u>	<u>1,443</u>

14 Pensions

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £921 (1995 — £921).