

Company Registration Number

2579005

NEIL FERGUSON (CHEMIST) LIMITED

ACCOUNTS

For the year ended 31 March 1997

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 1997.

Principal Activity

The principal activity of the Company is that of retail and dispensing chemists.

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	
		1997	1996
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	1,499

Post Balance Sheet Event

The issued share capital of the Company was increased by 630 shares to 3,630 £1 ordinary shares on 30 June 1997. The shares were allotted to Mr B S Sheppard to give him a beneficial shareholding of 630 shares. His non-beneficial shareholding remains at 1,501.

Auditors

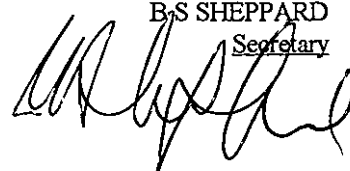
Cooper Lancaster Brewers have indicated their agreement to continue as auditors.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Charlotte House
10 Charlotte Street
Manchester M1 4FL
9 October 1997

By Order of the Board

B S 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 of the profit or loss of the Company 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 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 NEIL FERGUSON (CHEMIST) LIMITED

We have audited the financial statements on pages 5 to 13.

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 at 31 March 1997, and of the profit of the Company for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Cooper Lancaster Brewers

COOPER LANCASTER BREWERS

9 October 1997

Chartered Accountants
Registered Auditors

NEIL FERGUSON (CHEMIST) LIMITED

Profit and Loss Account For the year ended 31 March 1997

	Note	1997 £	1996 £
Turnover - Continuing operations	1	1,326,795	1,008,210
Cost of sales		(1,052,041)	(814,003)
Gross profit		274,754	194,207
Net operating expenses	2	(401,868)	(301,491)
Operating loss - Continuing operations		(127,114)	(107,284)
Exceptional items	3	191,905	1,617
Profit (loss) on ordinary activities before interest	4	64,791	(105,667)
Interest receivable		4,366	1,052
Interest payable		(5,042)	(273)
Profit (loss) on ordinary activities before taxation		64,115	(104,888)
Taxation on ordinary activities	5	-	-
Transfer to (from) reserves	11	64,115	(104,888)

Statement of Total Recognised Gains and Losses

There were no recognised gains or losses, other than the profit (1996 loss) for the year.


NEIL FERGUSON (CHEMIST) LIMITED

Balance Sheet At 31 March 1997

	Note	1997 £	1996 £
Fixed assets			
Tangible assets	6	205,458	179,184
Investments	8	4,858	4,858
		210,316	184,042
Current assets			
Stock		91,697	98,024
Debtors	7	115,995	174,120
Investments	8	-	-
Cash at bank and in hand		3,921	1,048
		211,613	273,192
Creditors			
Amounts falling due within one year	9	(225,031)	(324,451)
Net current liabilities		(13,418)	(51,259)
Total assets less current liabilities		196,898	132,783
Capital and reserves			
Called up share capital	10	3,000	3,000
Share premium account		277,486	277,486
Profit and loss account	11	(83,588)	(147,703)
Equity shareholders' funds	12	196,898	132,783

The Directors have taken advantage of the exemptions conferred by Part VII of the Companies Act 1985 relating to small companies 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

9 October 1997

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 .

Consolidation

The financial statements contain information about Neil Fergusson (Chemist) Limited as an individual Company and do not contain consolidated financial information as the parent of a group as the Company is exempt from such disclosure under section 229 (5) of the Companies Act 1985.

Depreciation

Depreciation is provided annually on a straight line basis over the estimated useful lives of tangible 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 maintenance of buildings is continuous and thus residual value (based on prices prevailing at the date of aquisition) remains so high that depreciation would be immaterial. 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 within 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 for 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 company.

Pensions

The Company operates a defined contribution scheme. The assets of the scheme are held separately from those of the Company in independently administered funds. Pension costs are charged against profits as they become payable to the scheme.

NEIL FERGUSON (CHEMIST) LIMITED

Notes on the Accounts At 31 March 1997

	1997 £	1996 £
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	462,608	312,231
Management fees	(60,740)	(10,740)
	<u>401,868</u>	<u>301,491</u>
3 Exceptional items		
Profit on disposal of investments	-	1,617
Profit on disposal of licence	191,905	-
	<u>191,905</u>	<u>1,617</u>
4 Operating loss		
This is stated after charging the following :		
Directors' remuneration :		
- aggregate emoluments	149,924	105,435
- company pension contributions to a money purchase scheme	60,000	-
Auditors' remuneration	4,000	3,900
Depreciation	9,166	8,991
Operating leases - plant and equipment	4,710	3,581
	<u></u>	<u></u>
Retirement benefits are accruing to one Director under a money purchase scheme.		
5 Taxation		
Corporation tax - current year	-	-
	<u></u>	<u></u>
It is considered that any potential corporation tax charge at 31 March 1997 is covered by trading losses and indexation on the profit on disposal of the licence.		

NEIL FERGUSON (CHEMIST) LIMITED

Notes on the Accounts (continued) At 31 March 1997

	Freehold land and buildings £	Equipment & fixtures £	Motor vehicles £	Total £
6 Tangible fixed assets				
Cost :				
At 1 April 1996	152,208	46,640	50,367	249,215
Additions	33,494	1,946	-	35,440
Disposals	-	-	-	-
At 31 March 1997	185,702	48,586	50,367	284,655
Depreciation :				
At 1 April 1996	-	26,965	43,066	70,031
Provided during the year	-	1,865	7,301	9,166
Disposals	-	-	-	-
At 31 March 1997	-	28,830	50,367	79,197
Net book value :				
At 31 March 1997	185,702	19,756	-	205,458
At 31 March 1996	152,208	19,675	7,301	179,184

	1997 £	1996 £
7 Debtors		
Trade debtors	97,144	110,962
Value added tax	3,412	45,845
Other debtors	1,232	517
Prepayments and accrued income	14,207	16,796
	115,995	174,120

NEIL FERGUSON (CHEMIST) LIMITED

Notes on the Accounts (continued) At 31 March 1997

	1997 £	1996 £
8 Investments		
<u>Subsidiary undertaking</u>		
Cost :		
At 1 April 1996	15,962	15,962
Diminution in value	(11,104)	(11,104)
At 31 March 1997	4,858	4,858

	% ordinary share capital held	Principal Activity
Parcote Limited	100	Non-trading

The subsidiary undertaking is registered in England.

Current asset investments

Investments : Listed on a recognised Stock Exchange

	1997 £	1996 £
At 1 April 1996	-	-
Additions during the year	-	15,750
Disposals during the year	-	(15,750)
At 31 March 1997	-	-

9 Creditors

Due within one year :

Bank overdraft	-	2,666
Trade creditors	160,176	200,699
Subsidiary undertaking	4,858	4,858
Other taxes and social security	38,347	32,770
Other creditors	13,500	76,508
Accruals and deferred income	8,150	6,950
	225,031	324,451

NEIL FERGUSON (CHEMIST) LIMITED

Notes on the Accounts (continued) At 31 March 1997

	1997 £	1996 £
10 Share capital		
Authorised :		
Ordinary shares of £1 each	100,000	100,000
Issued, allotted and fully paid :		
Ordinary shares of £1 each	3,000	3,000
11 Profit and loss account		
At 1 April 1996	(147,703)	(42,815)
Profit (loss) for the year	64,115	(104,888)
At 31 March 1997	(83,588)	(147,703)
12 Reconciliation of movements in equity shareholders' funds		
Net profit (loss) for the financial year	64,115	(104,888)
Net addition to equity shareholders' funds	64,115	(104,888)
Equity shareholders' funds:		
At 1 April 1996	132,783	237,671
At 31 March 1997	196,898	132,783
13 Leasing commitments		
At 31 March 1997, the Company had annual commitments under non-cancellable operating leases as follows :		
Plant and equipment		
Operating leases which expire:		
1 - 5 years	4,710	4,454

NEIL FERGUSON (CHEMIST) LIMITED

Notes on the Accounts (continued) **At 31 March 1997**

14 Pensions

The pension cost charge represents contributions payable by the Company to independently administered funds and amounted to £60,921 (1996 - £921).

15 Post Balance Sheet Event

The issued share capital of the Company was increased by 630 shares to 3,630 £1 ordinary shares on 30 June 1997. The shares were allotted to Mr B S Sheppard to give him a beneficial shareholding of 630 shares. His non-beneficial shareholding remains at 1,501.

16 Ultimate control

The Company is considered to be controlled by Mr B S Sheppard, a Director of the Company.

17 Related party transactions

- 1) An interest free loan of £17,000 was made to the Company by a Director, Mr B S Sheppard, during the year ended 31 March 1996. The balance of this loan at 31 March 1997 was £13,500.
 - 2) At 31 March 1996 the Company owed Galleon Securities Limited, a Company controlled by Mr B S Sheppard, £89,508. The rate of interest on this loan was 3% per annum above base rate and the loan balance including interest was repaid in full during the year
 - 3) In the course of the year the Company loaned £100,000 to Galleon Securities Limited. The interest rate on this loan was 3% above base and the loan balance including interest was repaid in full during the year.
 - 4) During the year the Company received fees of £1,500 in respect of the administration of property owned by Mr B S Sheppard.
 - 5) The Company received the following management fees ; £50,000 from Galleon Assets Management Limited, £1,200 from Galleon Registrars Limited and £8,040 from Manchester and London Investment Trust plc, all Companies ultimately controlled by Mr B S Sheppard.
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