

Lloyds Healthcare Holdings Limited

Directors' report and financial statements

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Lloyds Healthcare Holdings Limited

Directors' report

The directors present their report and audited financial statements for the year ended 30 June 1996.

Principal activities

The principal activity of the company is that of holding shares in its subsidiary companies.

Results and dividends

The results for the year are set out on page 5. The directors recommend the payment of a final dividend of £61,500,000 (1995: £16,000,000). An amount of £27,700,000 (1995: £Nil) is transferred to reserves.

Significant changes in fixed assets

The changes in fixed assets are set out in note 4 to the financial statements.

Directors and directors' interests

The directors serving at the end of the year were as follows:

AJ Lloyd
MA Ward
RG Turner
SW Buckell
JC Fellows (appointed 3 July 1995)

AJ Lloyd, MA Ward and RG Turner were directors of Lloyds Chemists plc, the ultimate holding company, as at 30 June 1996 and their share interests are disclosed in the financial statements of that company.

The interests of SW Buckell in the shares of Lloyds Chemists plc were as follows:

	Preference shares of 5p each		SAYE Share Option Scheme Ordinary shares of 5p each		Ordinary shares of 5p each		Executive Share Option Scheme Ordinary shares of 5p each	
	1996	1995	1996	1995	1996	1995	1996	1995
SW Buckell	<u>608</u>	<u>608</u>	<u>7,560</u>	<u>7,560</u>	<u>5,796</u>	<u>5,621</u>	<u>57,000</u>	<u>119,800</u>

No director had any interest in the share capital of any other group undertakings.

Lloyds Healthcare Holdings Limited

Directors' report *(continued)*

Liability insurance

Pursuant to Section 310 of the Companies Act 1985, the company maintains insurance for its directors and officers against the financial consequences of actions brought against them by outside parties for acts or omissions in the performance of their duties as directors or officers of the company.

By order of the Board

MA Ward
Director

A handwritten signature in black ink, appearing to be 'MA Ward', written over a vertical line.

Britannia House
Centurion Park
Tamworth
Staffordshire
B77 5PZ

10 October 1996

Lloyds Healthcare Holdings Limited

Statement of directors' responsibilities

The following statement, which should be read in conjunction with the report of the auditors set out on page 4, describes the responsibilities of the directors in relation to these financial statements.

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the year and of the profit or loss for the year.

The directors consider that in preparing the financial statements set out on pages 5 to 10, the Company has used appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates. All applicable accounting standards have been followed and the financial statements have been prepared on a going concern basis.

The directors are responsible for ensuring that the Company maintains adequate accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.



2 Cornwall Street
Birmingham B3 2DL

Auditors' report to the members of Lloyds Healthcare Holdings Limited

We have audited the financial statements on pages 5 to 10.

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 30 June 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG
Chartered Accountants
Registered Auditors

10 October 1996



Lloyds Healthcare Holdings Limited

Profit and loss account for the year ended 30 June 1996

	Note	Continuing operations	
		1996 £'000	1995 £'000
Income from shares in group undertakings	2	89,200	16,000
Amounts written off investments		-	(1,000)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		89,200	15,000
Tax on profit on ordinary activities		-	-
		<hr/>	<hr/>
Profit for the financial year		89,200	15,000
Proposed dividends	3	(61,500)	(15,000)
		<hr/>	<hr/>
Retained profit for the financial year	9	27,700	-
		<hr/>	<hr/>

A statement of movements on reserves is given as note 9 to the financial statements.

Lloyds Healthcare Holdings Limited

Balance sheet at 30 June 1996

	<i>Note</i>	1996 £'000	1995 £'000
Fixed assets			
Investments	4	<u>31,500</u>	<u>31,500</u>
Current assets			
Debtors	5	120,210	31,010
Creditors: amounts falling due within one year	6	<u>(91,500)</u>	<u>(30,000)</u>
Net current assets		<u>28,710</u>	<u>1,010</u>
Total assets less current liabilities		60,210	32,510
Creditors: amounts falling due after more than one year	7	<u>(32,500)</u>	<u>(32,500)</u>
Net assets		<u><u>27,710</u></u>	<u><u>10</u></u>
Capital and reserves			
Called up share capital	8	10	10
Profit and loss account	9	<u>27,700</u>	<u>-</u>
Total equity shareholders' funds		<u><u>27,710</u></u>	<u><u>10</u></u>

These financial statements were approved by the board of directors on 10 October 1996 and were signed on its behalf by:


MA Ward
Director

Lloyds Healthcare Holdings Limited

Statement of total recognised gains and losses *for the year ended 30 June 1996*

During the year ended 30 June 1996 there were no recognised gains or losses other than the profit for the financial year of £89,200,000 (1995: £15,000,000).

Historical cost profits and losses *for the year ended 30 June 1996*

There is no difference between the historical cost profit on ordinary activities before taxation and that reported in the profit and loss account for the years ended 30 June 1996 or 30 June 1995.

Reconciliation of movements in shareholders' funds *for the year ended 30 June 1996*

	1996 £'000	1995 £'000
Profit for the financial year	89,200	15,000
Dividends proposed	(61,500)	(15,000)
Net movement in shareholders' funds	27,700	-
Shareholders' funds at 1 July 1995	10	10
Shareholders' funds at 30 June 1996	27,710	10

Lloyds Healthcare Holdings Limited

Notes

(forming part of the financial statements)

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

The company is a wholly owned subsidiary of Lloyds Chemists plc which is established under the law of a member state of the European Community. Lloyds Chemists plc publishes consolidated financial statements including a consolidated cash flow statement which includes the results of Lloyds Healthcare Holdings Limited, and consequently, in accordance with Financial Reporting Standard Number 1, no cashflow statement is incorporated into these financial statements.

2 Income from shares in group undertakings

	1996 £'000	1995 £'000
Dividends receivable	<u>89,200</u>	<u>16,000</u>

3 Dividends payable

	1996 £'000	1995 £'000
Proposed dividend on equity shares	<u>61,500</u>	<u>15,000</u>

4 Investments

	Shares in subsidiary undertakings £'000
Cost	
At 1 July 1995 and 30 June 1996	<u>32,500</u>
Provisions	
At 1 July 1995 and 30 June 1996	<u>1,000</u>
Net book value	
At 30 June 1996	<u>31,500</u>
At 30 June 1995	<u>31,500</u>

Lloyds Healthcare Holdings Limited

Notes (continued)

4 Investments (continued)

As at 30 June 1996 the company owned the whole of the issued share capital of the following subsidiaries, which are all registered in England and Wales:

Lloyds Retail Chemists Limited
Lloyds Supersave Limited
Holland & Barrett Retail Limited
Barclay Pharmaceuticals Limited
Lloyds Properties Limited

Under the provisions of Section 228 of the Companies Act 1985 the company has not prepared consolidated financial statements since it is a wholly owned subsidiary of a company registered in the European Community.

In the opinion of the directors the value of the above shares is at least equal to the amount at which they are stated in the balance sheet.

5 Debtors

	1996 £'000	1995 £'000
Amounts owed by parent undertaking and fellow subsidiary undertakings	10	10
Amounts owed by subsidiary undertakings	120,200	31,000
	<u>120,210</u>	<u>31,010</u>

6 Creditors: amounts falling due within one year

	1996 £'000	1995 £'000
Amounts owed to parent undertaking and fellow subsidiary undertakings	-	30,000
Proposed dividends	89,200	-
	<u>89,200</u>	<u>30,000</u>

7 Creditors: amounts falling due after more than one year

	1996 £'000	1995 £'000
Amounts owed to subsidiary undertakings	<u>32,500</u>	<u>32,500</u>

Lloyds Healthcare Holdings Limited

Notes (continued)

8 Share capital

	1996 £'000	1995 £'000
<i>Authorised, allotted, called up and fully paid</i>		
10,000 ordinary shares of £1 each	<u>10</u>	<u>10</u>

9 Reserves

	Profit and loss account £'000
At 1 July 1995	-
Profit for the financial year	89,200
Proposed dividend	<u>(61,500)</u>
At 30 June 1996	<u>27,700</u>

10 Ultimate holding company

The ultimate holding company in Lloyds Chemists plc, which is registered in England and Wales.

The financial statements of the company are included within the group financial statements of Lloyds Chemists plc, but are not included within any other group financial statements.

Copies of the group financial statements may be obtained from Britannia House, Centurion Park, Tamworth, Staffordshire, B77 5PZ.