

COMPANY NO: 2825947

**REGISTRAR'S  
COPY**

**ABC DRUGSTORES LIMITED**

**ABBREVIATED ACCOUNTS**

**FOR THE YEAR ENDED 31st DECEMBER, 1996**

**FSPG**  
CHARTERED ACCOUNTANTS  
21 BEDFORD SQUARE  
LONDON WC1B 3HH



**ABC DRUGSTORES LIMITED****AUDITORS' REPORT TO ABC DRUGSTORES LIMITED****UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages 2 to 6, together with the financial statements of the company for the year ended 31st December, 1996 prepared under section 226 of the Companies Act 1985.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

**BASIS OF OPINION**

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

**OPINION**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 6 are properly prepared in accordance with those provisions.

FSPG  
Chartered Accountants  
Registered Auditors  
21 Bedford Square  
London WC1B 3HH

FSM

Date

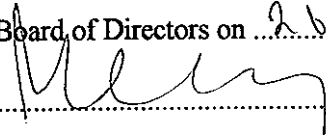
26.9.97

**ABC DRUGSTORES LIMITED****BALANCE SHEET AT 31st DECEMBER, 1996**

	<u>Notes</u>	<u>1996</u>	<u>Restated</u>
		£	1995
		£	£
<b>FIXED ASSETS</b>			
Intangible assets	2	921,645	717,983
Tangible assets	3	257,483	176,856
		<u>1,179,128</u>	<u>894,839</u>
<b>CURRENT ASSETS</b>			
Stocks		429,795	226,589
Debtors		393,195	277,371
Cash at bank and in hand		260,314	28,967
		<u>1,083,304</u>	<u>532,927</u>
<b>CREDITORS: Amounts falling due within one year</b>		<u>(734,640)</u>	<u>(496,307)</u>
<b>NET CURRENT ASSETS</b>		<u>348,664</u>	<u>36,620</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,527,792</u>	<u>931,459</u>
<b>CREDITORS: amounts falling due after more than one year</b>			
Bank loans	4	1,317,498	572,855
Director's loan		265,000	279,626
		<u>(1,582,498)</u>	<u>(852,481)</u>
		<u>(54,706)</u>	<u>78,978</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	5	327,000	327,000
Profit and loss account		(381,706)	(248,022)
<b>SHAREHOLDERS' FUNDS</b>		<u>(54,706)</u>	<u>78,978</u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The accounts were approved by the Board of Directors on 26.9.97 and signed on their behalf by:

N.P. BEILBY  Director

The notes set out on pages 3 to 6 form part of these abbreviated accounts.

**ABC DRUGSTORES LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1996****1. ACCOUNTING POLICIES****(a) Basis of Accounting**

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

**(b) Turnover**

Turnover represents amounts receivable for goods and services provided in the UK net of VAT and trade discounts.

**(c) Goodwill**

Acquired goodwill is amortised over its estimated useful economic life for 20 years.

**(d) Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold properties	-	straight line over the life of the lease
Fixtures, fittings and equipment	-	15% Straight line

**(e) Leasing**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

**(f) Stock**

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

**(g) Pensions**

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP24.

**ABC DRUGSTORES LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1996**

(Continued)

**1. ACCOUNTING POLICIES (Continued)****(h) Deferred Taxation**

Deferred taxation is provided using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

**(i) Cash Flow Statement**

The company has taken advantage of the exemption in FRS 1 (cash flow statements) from the requirement to produce a cash flow statement on the grounds that it qualifies a small company.

	<u>Goodwill</u>
	£
<b>2. <u>INTANGIBLE FIXED ASSETS</u></b>	
<u>Cost</u>	
At 1st January, 1996	784,916
Additions	248,975
	<hr/>
At 31st December, 1996	1,033,891
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<u>Amortisation</u>	
At 1st January, 1996	66,933
Charge for year	45,313
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At 31st December, 1996	112,246
	<hr/>
<u>Net Book Value</u>	
At 31st December, 1996	921,645
	<hr/> <hr/>
At 31st December, 1995	717,983
	<hr/> <hr/>

**ABC DRUGSTORES LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1996**

(Continued)

**3. TANGIBLE ASSETS**

	Total £
<u>Cost</u>	
At 1st January 1996	216,564
Additions	126,321
	<hr/>
At 31st December, 1996	342,885
	<hr/>
<u>Depreciation</u>	
At 1st January 1996	39,708
Charge for year	45,694
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At 31st December, 1996	85,402
	<hr/>
<u>Net Book Value</u>	
At 31st December, 1996	257,483
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At 31st December, 1995	176,856
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**ABC DRUGSTORES LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1996**

(Continued)

	<b><u>1996</u></b>	<b><u>Restated 1995</u></b>
	£	£
<b>4 CREDITORS</b>		
Amounts falling due after more than one year:		
Bank Loans by instalments:		
Repayable between one and five years	468,158	294,073
Repayable after five years	849,340	278,782
	<hr/>	<hr/>
	1,317,498	572,855
Directors' loans repayable within five years not by instalments	265,000	279,626
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	1,582,498	852,481
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The loan is repayable by equal monthly instalments of capital and interest commencing on 4th August, 1997. The loan is due for full repayment by 4th November 2006. The interest rate on the loan is at 1.25% above LIBOR. Security on the loan is provided by fixed charges over certain of the company's leasehold properties and by a property owned personally by Mr N P Beilby. The loan is also guaranteed by Unichem plc.

The aggregate amount of the bank loans for which security has been given is £1,350,000 (1995 - £817,325).

**5. SHARE CAPITAL**

	<b><u>Authorised</u></b>		<b><u>Allotted, called up and fully paid</u></b>	
	<b><u>1996</u></b>	<b><u>1995</u></b>	<b><u>1996</u></b>	<b><u>1995</u></b>
	No	No	£	£
Ordinary shares of £1 each	1,000,000	1,000,000	327,000	327,000
	<hr/>	<hr/>	<hr/>	<hr/>

**6. TRANSACTIONS WITH DIRECTORS**

The company paid rent in the sum of £2,000 (1995 £35,408) during the year to Grosvenor Homes, an undertaking owned by Nicholas Pomeroy Beilby.