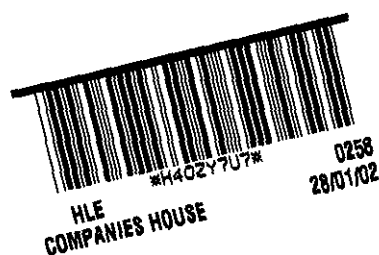


Pharmacy 2U Limited
Abbreviated Annual Report and Accounts
for the year ended 31 March 2001

Registered Number 3802593



Pharmacy 2U Limited
Abbreviated Annual Report and Accounts
for the year ended 31 March 2001
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Independent auditors' report to the directors of Pharmacy 2U Limited under section 247B of the Companies Act 1985

We have examined the abbreviated financial statements on pages 2 to 5 together with the annual financial statements of Pharmacy 2U Limited for the year ended 31 March 2001.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with section 246 and Schedule 8A to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985 and whether the abbreviated financial statements 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 considered necessary to confirm, by reference to the annual financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements are properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the annual financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985 and the abbreviated financial statements to be delivered are properly prepared in accordance with those provisions.



Chartered Accountants and Registered Auditors
Leeds

De January 2002

Pharmacy 2U Limited

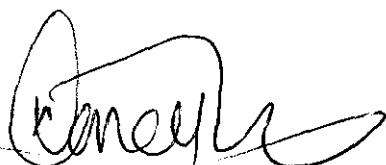
Balance sheet as at 31 March 2001

	Note	2001 £'000	2000 £'000 (as restated)
Fixed assets			
Tangible assets	2	95	59
		95	59
Current assets			
Stocks		51	2
Debtors		97	59
Cash at bank and in hand		1,278	145
		1,426	206
Creditors: amounts falling due within one year		(447)	(243)
Net current assets/(liabilities)		979	(37)
Total assets less current liabilities		1,074	22
Creditors: amounts falling due after more than one year		(4)	(12)
Net assets		1,070	10
Capital and reserves			
Called up share capital		436	250
Share premium account		2,926	-
Profit and loss account		(2,292)	(240)
Total shareholders' funds		1,070	10

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

The abbreviated financial statements on pages 2 to 5 were approved by the board of directors on January 2002 and were signed on its behalf by:

Director



Pharmacy 2U Limited

Accounting policies

The abbreviated financial statements are prepared using the following accounting policies.

Turnover

Turnover is the invoiced value of goods and services supplied during the year, excluding value added tax.

Tangible fixed assets

Tangible fixed assets are stated at their purchase price, together with any incidental expenses of acquisition, less accumulated depreciation. Provision for depreciation is made so as to write off the cost of tangible fixed assets on a straight line basis over the expected useful economic lives of the assets concerned. The annual rates used are as follows:

Plant and machinery	20 – 33.33%
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Stocks

Stocks are stated at the lower of cost and net realisable value.

Pension costs

The costs of providing retirement pensions and related benefits is charged to the profit and loss account as incurred.

Website development costs

Website development costs are charged to the profit and loss account as incurred.

Finance and operating leases

Where assets are financed by hire purchase agreements which transfer to the company substantially all the benefits and risks of ownership of an asset, the assets are treated as if they had been purchased outright. The amount capitalised is the fair value of the asset. The corresponding lease commitments are shown as obligations to the lessor. Lease payments are split between capital and interest elements using the annuity method. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding. Depreciation on the relevant assets is charged to the profit and loss account over the shorter of the lease terms and the useful live of equivalent owned assets.

Costs in respect of operating leases are charged on a straight line basis over the lease term.

Pharmacy 2U Limited

Notes to the abbreviated financial statements for the year ended 31 March 2001

1 Change in accounting policy

Comparative figures have been restated to reflect a change in accounting policy for website development costs which are charged to the profit and loss account in the period that they are incurred. Previously such costs were capitalised and depreciated over their useful economic lives of 3 years. The accounting policy has been changed because the directors consider the new policy gives a fairer presentation of the company's assets and costs incurred.

As a result the comparative figures for the year ended 31 March 2000 have been adjusted as follows:

	Net assets £'000
As previously reported	32
Effect of charging website development costs as incurred	(22)
As restated at 1 April 2000	10

Current year net assets are decreased by £141,000 following the change in the website development costs policy.

2 Tangible assets

	Plant and machinery £'000
Cost	
As previously reported	82
Prior year adjustment (note 1)	(22)
As restated at 1 April 2000	60
Additions	79
Disposals	(21)
At 31 March 2001	118
Depreciation	
As previously reported	1
Prior year adjustment (note 1)	-
As restated at 1 April 2000	1
Charge for the year	25
Disposals	(3)
At 31 March 2001	23
Net book amount	
At 31 March 2001	95
At 31 March 2000	59

Pharmacy 2U Limited

Notes to the financial statements for the year ended 31 March 2001 (continued)

3 Called up share capital

	2001 £'000	2000 £'000
Authorised		
50,000,000 ordinary shares of 10p each	5,000	5,000
Allotted and fully paid		
2,072,000 (2000: 2,500,708) ordinary shares of 10p each	207	250
2,291,376 (2000: nil) preferred ordinary shares of 10p each	229	-
	436	250

On 22 June 2000 73,500 ordinary shares of 10p each were issued for cash. The nominal value of these shares was £7,350 and consideration received was £352,800.

On 17 October 2000, the company made a bonus issue of 122,500 ordinary shares of 10p each. The nominal value of these shares was £12,250.

On 17 October 2000 1,666,668 preferred ordinary shares of 10p each were issued for cash. The nominal value of these shares was £166,667 and consideration received was £3,000,002. At the date of this transaction, 624,708 ordinary shares of 10p each were reclassified as preferred ordinary shares of 10p each.

Preferred ordinary shares have preferential rights to the assets of the company in the event of the company being wound up. In all other respects the preferred ordinary shares rank pari passu with the ordinary shares.