

Pharmacy 2U Limited
Abbreviated Annual Report and Accounts
for the year ended 31 March 2006

Registered Number 3802593



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for the year ended 31 March 2006
Contents

Independent auditors' report to the directors of Pharmacy 2U Limited under section 247B of the Companies Act 1985	1
Balance sheet as at 31 March 2006.....	2
Accounting policies	3
Notes to the abbreviated financial statements for the year ended 31 March 2005.....	4

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 set out on pages 2 to 4, together with the financial statements of Pharmacy 2U Limited for the year ended 31 March 2006 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements 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 financial statements prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated financial statements have been properly prepared in accordance with those provisions and to report our opinion to you.

This report, including the opinion, has been prepared for and only for the company's directors for the purpose of Section 247B of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The Special Auditor's Report on Abbreviated Accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin 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 financial statements and that the abbreviated financial statements to be delivered are properly prepared.

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 have been properly prepared in accordance with those provisions.

PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Leeds
19 October 2006

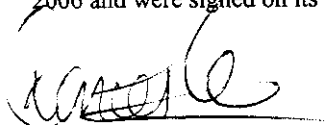
Pharmacy 2U Limited

Balance sheet as at 31 March 2006

	Note	2006 £'000	2005 £'000
Fixed assets			
Tangible assets	1	361	64
		361	64
Current assets			
Stocks		312	226
Debtors		398	359
Cash at bank and in hand		118	85
		828	670
Creditors: amounts falling due within one year		(1,361)	(1,110)
Net current liabilities		(533)	(440)
Total assets less current liabilities		(172)	(376)
Creditors: amounts falling due after more than one year		(125)	-
Net liabilities		(297)	(376)
Capital and reserves			
Called up share capital	2	628	628
Share premium account		3,787	3,787
Profit and loss account		(4,712)	(4,791)
Total shareholders' deficit		(297)	(376)

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 4 were approved by the board of directors on 17 October 2006 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%

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 lives of equivalent owned assets.

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

Deferred taxation

In accordance with FRS19, deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when the differences reverse based on current tax rates and laws. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Pharmacy 2U Limited

Notes to the abbreviated financial statements for the year ended 31 March 2005

1 Tangible assets

	Plant and machinery £'000
Cost	
At 1 April 2005	187
Additions	365
Disposals	(14)
At 31 March 2006	538
Depreciation	
At 1 April 2005	123
Charge for the year	68
Disposals	(14)
At 31 March 2006	177
Net book amount	
At 31 March 2006	361
At 31 March 2005	64

2 Called up share capital

	2006 £'000	2005 £'000
Authorised		
44,939,733 (2005: 45,888,313) ordinary shares of 10p each	4,494	4,589
5,060,267 (2005: 4,111,687) preferred ordinary shares of 10p each	506	411
	5,000	5,000
Allotted and fully paid		
1,671,695 (2005: 2,620,275) ordinary shares of 10p each	167	262
4,613,429 (2005: 3,664,849) preferred ordinary shares of 10p each	461	260
	628	522

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.

During the year, 948,580 ordinary shares were converted to preferred ordinary shares.