

Prinwest Limited
FINANCIAL STATEMENTS
for the year ended
31 August 2009



Company Registration No 03681736

Prinwest Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A I Patel
Y I Patel

SECRETARY

A I Patel

REGISTERED OFFICE

69 Milkstone Road
Rochdale
Lancashire
OL11 1NT

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
3 Hardman Street
Manchester
M3 3HF

BUSINESS ADDRESS

Lynstock House
Lynstock Way
Lostock
Bolton
BL6 4SA

Prinwest Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Prinwest Limited for the year ended 31 August 2009

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of pharmaceutical wholesalers

REVIEW OF THE BUSINESS

The company distributes medicines and healthcare goods to the pharmacies within the group

The directors are not aware of any likely changes in the company's activities in the coming year

The directors will strive to improve turnover and profitability over the coming year through the continued expansion of the pharmacy business and by seeking new wholesale opportunities

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £3,510,909 Particulars of dividends paid are detailed in note 7 to the financial statements

	2009	2008
Turnover	£39m	£42m
Stock	£2 7m	£3m
Gross Margin	14 1%	9 9%
Shareholders' Funds	£8 9m	£7 4m

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company has had a very good year due to a very stable customer base with the majority of the sales being made within the group The company's main risk is related to supply prices which the directors monitor consistently seeking to obtain the best purchase price available Given the nature of the company's customers it has no significant credit or financing risks

DIRECTORS

The directors who served the company during the year were as follows

A I Patel
Y I Patel
M J Kilsby

None of the directors notified an interest in the shares of the company Mr Y I Patel holds one ordinary share of £1 as nominee for Gorgemead Limited, the company's ultimate parent undertaking

M J Kilsby retired as a director on 1 August 2009

Prinwest Limited

DIRECTORS' REPORT

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

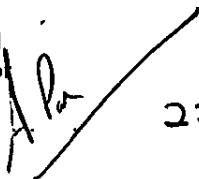
The directors who were in office on the date of approval of these financial statements have confirmed that as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

A resolution to reappoint Baker Tilly UK Audit LLP, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

On behalf of the board

A Patel
Director



22nd JUNE 2010

Prinwest Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view. In preparing those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent,
- c state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- d 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRINWEST LIMITED

We have audited the financial statements on pages 6 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As more fully explained in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 August 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

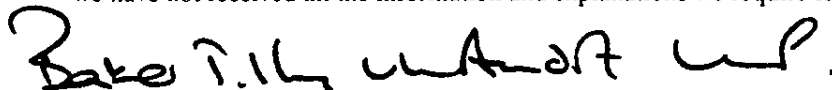
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Geoff Wightwick (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

3 Hardman Street

Manchester

M3 3HF

23 June 2010

Prinwest Limited
PROFIT AND LOSS ACCOUNT
for the year ended 31 August 2009

		2009	2008
	<i>Notes</i>	£	£
TURNOVER	1	39,829,074	42,550,404
Cost of sales		<u>34,206,018</u>	<u>38,316,961</u>
Gross profit		5,623,056	4,233,443
Distribution costs		1,251	–
Administrative expenses		735,822	732,014
Other operating income	2	<u>(53,321)</u>	<u>(53,321)</u>
OPERATING PROFIT	3	4,939,304	3,554,750
Interest receivable and similar income		882	–
		<u>4,940,186</u>	<u>3,554,750</u>
Interest payable and similar charges	5	–	(461)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>4,940,186</u>	<u>3,554,289</u>
Taxation	6	1,429,277	720,081
PROFIT FOR THE FINANCIAL YEAR	17	<u><u>3,510,909</u></u>	<u><u>2,834,208</u></u>

The profit for the year arises from the company's continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

Prinwest Limited

BALANCE SHEET

31 August 2009

	Notes	2009 £	2008 £
FIXED ASSETS			
Tangible assets	8	<u>167,718</u>	<u>212,237</u>
CURRENT ASSETS			
Stocks	9	2,766,795	3,032,964
Debtors	10	6,010,622	10,369,133
Cash at bank and in hand		<u>5,510,789</u>	<u>90,973</u>
		14,288,206	13,493,070
CREDITORS			
Amounts falling due within one year	12	<u>5,537,859</u>	<u>6,297,446</u>
NET CURRENT ASSETS		<u>8,750,347</u>	<u>7,195,624</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,918,065</u>	<u>7,407,861</u>
PROVISIONS FOR LIABILITIES AND CHARGES		<u>—</u>	<u>705</u>
		<u>8,918,065</u>	<u>7,407,156</u>
CAPITAL AND RESERVES			
Called up share capital	16	100	100
Profit and loss account	17	<u>8,917,965</u>	<u>7,407,056</u>
SHAREHOLDERS' FUNDS	18	<u>8,918,065</u>	<u>7,407,156</u>

The financial statements on pages 6 to 15 were approved by the board of directors and authorised for issue on 22.6.2010 and are signed on their behalf by

A I Patel
Director



Prinwest Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

GOING CONCERN

The company has significant retained profits and cash reserves and has consistently been profitable. The directors have reviewed trading projections and the availability of finance in the context of those projections. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

CASH FLOW STATEMENT

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

TURNOVER

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services in the ordinary nature of the business. Turnover is shown net of Value Added Tax, for goods and services provided to customers.

FIXED ASSETS

All fixed assets are initially recorded at cost.

DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	- 20% reducing balance
Motor Vehicles	- 25% reducing balance
Computer Equipment	- 50% straight line

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

STOCKS

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Prinwest Limited

ACCOUNTING POLICIES

FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Prinwest Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2009

1 TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company undertaken entirely within the United Kingdom

2 OTHER OPERATING INCOME

	2009	2008
	£	£
Rental income	<u>53,321</u>	<u>53,321</u>

3 OPERATING PROFIT

Operating profit is stated after charging

	2009	2008
	£	£
Depreciation of owned fixed assets	48,329	53,143
Loss on disposal of fixed assets	5,001	21,942
Auditor's remuneration		
- as auditor	9,260	9,260
- for taxation services	1,850	1,800
Operating lease costs		
- Land and buildings	<u>283,424</u>	<u>242,316</u>

4 PARTICULARS OF EMPLOYEES

There were no employees other than directors during the year

No recharges for staff costs were made during the year by the company's parent undertaking which supplies staff for the company

Agency staff costs of £4,208 (2008 £14,355) were incurred during the year

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2009	2008
	£	£
On bank loans and overdrafts	—	10
On finance leases	—	451
	<u>—</u>	<u>461</u>

Prinwest Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2009

6 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2009 £	2008 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 28% (2008 - 29 16%)	1,386,176	731,246
Over/(under) provision in prior year	45,976	(12,348)
Total current tax	1,432,152	718,898
Deferred tax		
Origination and reversal of timing differences	(2,875)	1,183
Tax on profit on ordinary activities	1,429,277	720,081

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2008 - 29 16%), as explained below

	2009 £	2008 £
Profit on ordinary activities before taxation	4,940,186	3,554,289
Profit on ordinary activities by rate of tax	1,383,252	1,036,571
Effects of		
Capital allowances in excess of depreciation	2,875	(268)
Group relief	-	(308,004)
Expenses not deductible for tax purposes	49	2,947
Adjustments to tax charge in respect of previous periods	45,976	(12,348)
Total current tax (note 6(a))	1,432,152	718,898

7 DIVIDENDS

Equity dividends

	2009 £	2008 £
Paid during the year		
Equity dividends on ordinary shares £20,000 per share (2008 £20,000)	2,000,000	2,000,000

Prinwest Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2009

8 TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	Motor Vehicles £	Computer Equipment £	Total £
Cost				
At 1 September 2008	215,153	151,523	6,024	372,700
Additions	2,345	13,357	533	16,235
Disposals	—	(36,970)	(24,044)	(61,014)
Transfers	(21,130)	—	21,130	—
At 31 August 2009	<u>196,368</u>	<u>127,910</u>	<u>3,643</u>	<u>327,921</u>
Depreciation				
At 1 September 2008	116,115	40,742	3,606	160,463
Charge for the year	19,933	25,817	2,579	48,329
On disposals	—	(24,545)	(24,044)	(48,589)
Transfers	(19,981)	—	19,981	—
At 31 August 2009	<u>116,067</u>	<u>42,014</u>	<u>2,122</u>	<u>160,203</u>
Net book value				
At 31 August 2009	<u>80,301</u>	<u>85,896</u>	<u>1,521</u>	<u>167,718</u>
At 31 August 2008	<u>99,038</u>	<u>110,781</u>	<u>2,418</u>	<u>212,237</u>

9 STOCKS

	2009 £	2008 £
Finished goods	<u>2,766,795</u>	<u>3,032,964</u>

10 DEBTORS

	2009 £	2008 £
Trade debtors	4,082,160	4,479,250
Amounts owed by Parent company	1,321,561	5,685,030
Other debtors	275,096	—
Prepayments and accrued income	329,635	204,853
Deferred taxation (note 11)	2,170	—
	<u>6,010,622</u>	<u>10,369,133</u>

Prinwest Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2009

11 DEFERRED TAXATION

The deferred taxation included in the balance sheet is as follows

	2009 £	2008 £
Included in debtors (note 10)	2,170	-
Included in provisions	-	(705)
	<u>2,170</u>	<u>(705)</u>

The movement in the deferred taxation account during the year was

	2009 £	2008 £
Balance brought forward	(705)	478
Profit and loss account movement arising during the year	2,875	(1,183)
Balance carried forward	<u>2,170</u>	<u>(705)</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2009 £	2008 £
Excess of depreciation over taxation allowances	2,170	(705)
	<u>2,170</u>	<u>(705)</u>

12 CREDITORS Amounts falling due within one year

	2009 £	2008 £
Trade creditors	3,973,453	4,814,537
Amounts owed to Parent company	160,276	155,157
Corporation tax	504,636	246,986
Other taxation	156,952	317,399
Other creditors	724,578	735,500
Accruals and deferred income	17,964	27,867
	<u>5,537,859</u>	<u>6,297,446</u>

13 COMMITMENTS UNDER OPERATING LEASES

At 31 August 2009 the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings	
	2009 £	2008 £
Operating leases which expire		
After more than 5 years	<u>300,000</u>	<u>250,000</u>

Prinwest Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2009

14 CONTINGENCIES

The company has contingent liabilities of £48,042,571 (2008 £48,078,608) This relates to a cross guarantee on bank overdrafts and loans with the parent company and related parties

15 RELATED PARTY TRANSACTIONS

The company traded in 2008 and 2009 with other companies which are related by virtue of common control and directorships Those companies were

Medihealth (Northern) Limited
Maxearn Limited
Pathvalley Limited
Makan Investments Limited

Sales of goods in the ordinary course of trade to Medihealth (Northern) Limited, Maxearn Limited and Pathvalley Limited during the year were in aggregate £13,576,230 (2008 £18,962,023) and at the year end £2,646,240 (2008 £3,799,938) was due to the company from those related parties

The company also purchased goods and services with an aggregate value of £3,147,373 (2008 £242,316) from Medihealth (Northern) Limited, Pathvalley Limited and Makan Investments Limited during the year The balance due to those companies at the year end was £1,774,885 (2008 £771,564)

All of the transactions were conducted on normal commercial terms and on an arm's length basis

The company has taken advantage of the exemption offered by FRS 8 to companies, 100% of the voting rights of which are controlled within a larger group, with regard to the disclosure of the transactions within other group companies

16 SHARE CAPITAL

	2009 £	2008 £
Authorised		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
	2009 £	2008 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

17 PROFIT AND LOSS ACCOUNT

	2009 £	2008 £
At 1 September 2008	7,407,056	6,572,848
Profit for the financial year	3,510,909	2,834,208
Dividends	(2,000,000)	(2,000,000)
At 31 August 2009	<u>8,917,965</u>	<u>7,407,056</u>

Prinwest Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2009

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009	2008
	£	£
Profit for the financial year	3,510,909	2,834,208
Dividends	(2,000,000)	(2,000,000)
Net addition to shareholders' funds	1,510,909	834,208
Opening shareholders' funds	7,407,156	6,572,948
Closing shareholders' funds	<u>8,918,065</u>	<u>7,407,156</u>

19 ULTIMATE PARENT COMPANY

The ultimate parent company is Gorgemead Limited, a company registered in England and Wales. Gorgemead Limited is also the parent company of the largest and smallest group of undertakings for which group accounts are made up. Copies of the financial statements of the parent company are available from Companies House (Cardiff).

20 CONTROL

Mr A I Patel and Mr Y I Patel are the ultimate controlling parties.