

**COMPANY NUMBER: 4474925**

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**MAXCHOICE SERVICES LIMITED**  
**DIRECTORS REPORT AND FINANCIAL STATEMENTS**  
**31 DECEMBER 2004**

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**ASHCROFTS**  
**CHARTERED ACCOUNTANTS**



# **MAXCHOICE SERVICES LIMITED**

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**YEAR ENDED 31 DECEMBER 2004**

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**COMPANY INFORMATION****31 DECEMBER 2004**

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<b>Country of incorporation</b>	England
<b>Date of incorporation</b>	2 July 2002
<b>Company number</b>	4474925
<b>Directors</b>	B Bains
<b>Secretary</b>	H Dodhia
<b>Registered office</b>	34 Hartsbourne Drive Halesowen West Midlands B62 8ST
<b>Bankers</b>	The Royal Bank of Scotland plc Manchester St. Ann Street Office St. Ann Street Manchester M60 2SS
<b>Accountants</b>	Ashcrofts Chartered Accountants 34 Hartsbourne Drive Halesowen West Midlands B62 8ST

## REPORT OF THE DIRECTORS

YEAR ENDED 31 DECEMBER 2004

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**Principal activity**

The principal activities of the company comprise the operation of retail pharmacies.

**Directors**

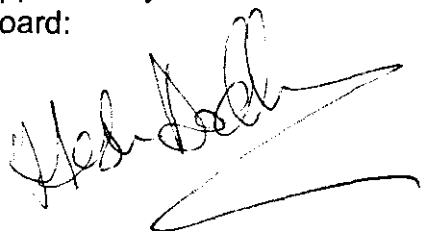
The directors of the company during the year and their interests in the shares of the company were as follows:

	Ordinary shares of £1 each	
	31.12.04	1.1.04
B Bains	40	-

**Small company provisions**

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Approved by the board of directors on 24 October 2005 and signed by order of the Board:



H Dodhia  
**Secretary**

**REPORT OF THE ACCOUNTANTS**

**YEAR ENDED 31 DECEMBER 2004**

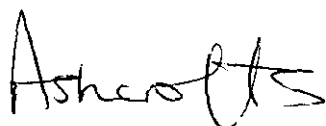
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**Accountants' Report on the Unaudited Financial Statements to the Directors of Maxchoice Services Limited**

As described on the balance sheet on pages 5 and 6 you are responsible for the compilation of the accounts for the year ended 31 December 2004, set out on pages 4 to 12, and you consider that the company is exempt from an audit.

In accordance with your instructions, we have compiled the unaudited accounts from the accounting records and information and explanations supplied to us.

We have not conducted an audit on the accounts in accordance with Auditing Standards and accordingly we express no opinion thereon. Our work does not provide any assurance that the accounting records are free from material misstatement.



**Ashcrofts  
Halesowen  
Chartered Accountants**

**24 October 2005**

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2004	NOTE	2004	2003
Turnover	2	481,566	211,068
Cost of turnover		(368,597)	(149,061)
<b>Gross profit</b>		112,969	62,007
Administrative expenses		(96,373)	(77,602)
<b>Operating profit (loss)</b>	3	16,596	(15,595)
Interest receivable and similar income	5	161	293
Interest payable and similar charges	6	(9,367)	(5,913)
<b>Profit (loss) on ordinary activities before taxation</b>		7,390	(21,215)
Taxation	7	-	-
<b>Retained profit (loss) for the year</b>	16	7,390	(21,215)

There are no recognised gains or losses other than those reported above.

## BALANCE SHEET

31 DECEMBER 2004	NOTE	2004	2003
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**Fixed assets**

Intangible assets	8	121,228	130,320
Tangible assets	9	11,901	13,853

		133,129	144,173
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**Current assets**

Stocks	10	36,318	25,000
Debtors	11	108,774	96,467
Cash at bank and in hand		31,516	24,364

		176,608	145,831
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Creditors due within one year	12	(169,933)	(143,972)
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<b>Net current assets</b>		6,675	1,859
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<b>Total assets less current liabilities</b>		139,804	146,032
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Creditors due after one year	13	(153,529)	(167,246)
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Provisions for liabilities and charges	14	-	-
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<b>Net liabilities</b>		(13,725)	(21,214)
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**Capital and reserves**

Called up share capital	15	100	1
Profit and loss account	16	(13,825)	(21,215)

<b>Shareholders funds</b>	16	(13,725)	(21,214)
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The directors are satisfied that the company was entitled to exemption under subsection(1) of section 249A of the Companies Act 1985 and that no member or members have requested an audit pursuant to subsection(2) of Section 249B in relation to the accounts for the financial year.

**BALANCE SHEET**

**31 DECEMBER 2004**

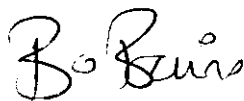
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The directors acknowledges their responsibilities for :

- i) ensuring that the company keeps accounting records which comply with section 221; and
- ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities.

These financial statements were approved by the board of directors on 24 October 2005 and signed on its behalf by:



**B Bains**  
**Director**



## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

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**1 Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

**Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities.

**Turnover**

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts and VAT.

**Goodwill**

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 15 years.

**Depreciation**

Depreciation is calculated to write off the cost of tangible fixed assets over their estimated useful lives as follows:

Short leasehold property	over the term of the lease of 10 years
Fixtures, fittings and equipment	15% reducing balance
Motor vehicles	25% reducing balance

**Stock and work in progress**

Stocks are valued at the lower of cost and net realisable value. Cost includes all expenditure incurred in the normal course of business in bringing the product to its present location and condition. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

**Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account as incurred.

**Deferred taxation**

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for gains on disposal of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

2004

2003

**2 Segment Information**

The company's turnover and results were derived wholly from the company's principal activity which is based solely in the United Kingdom.

**3 Operating profit (loss)**

Operating profit (loss) is stated after charging:

Depreciation of intangible assets	9,092	6,060
Depreciation of tangible assets	2,144	1,295
	<u>          </u>	<u>          </u>

**4 Directors' emoluments**

The directors' aggregate emoluments in respect of qualifying services were:

Aggregate emoluments	-	-
	<u>          </u>	<u>          </u>

**5 Interest receivable and similar income**

Bank interest receivable	161	178
Other interest receivable	-	115
	<u>          </u>	<u>          </u>
	161	293
	<u>          </u>	<u>          </u>

**6 Interest payable and similar charges**

Bank interest	9,367	5,913
	<u>          </u>	<u>          </u>

**7 Taxation**

Taxation charge based on profit for the year:

Corporation tax at Nil%	-	-
	<u>          </u>	<u>          </u>

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

**8 Intangible fixed assets - Goodwill**

	<b>Total</b>
<b>Cost</b>	
1 January 2004	136,380
	<hr/>
31 December 2004	136,380
	<hr/>
<b>Amortisation</b>	
1 January 2004	6,060
Charge for the year	9,092
	<hr/>
31 December 2004	15,152
	<hr/>
<b>Net book value</b>	
31 December 2004	121,228
	<hr/> <hr/>
31 December 2003	130,320
	<hr/> <hr/>

**9 Tangible fixed assets**

	<b>Short Leasehold Property</b>	<b>Fixtures, Fittings &amp; Equipment</b>	<b>Motor Vehicles</b>	<b>Total</b>
<b>Cost</b>				
1 January 2004	2,328	12,620	200	15,148
Additions	-	192	-	192
	<hr/>	<hr/>	<hr/>	<hr/>
31 December 2004	2,328	12,812	200	15,340
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
1 January 2004	-	1,262	33	1,295
Charge for the year	369	1,733	42	2,144
	<hr/>	<hr/>	<hr/>	<hr/>
31 December 2004	369	2,995	75	3,439
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
31 December 2004	1,959	9,817	125	11,901
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
31 December 2003	2,328	11,358	167	13,853
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

2004

2003

**10 Stocks and work in progress**

Goods held for resale	36,318	25,000
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**11 Debtors**

Trade debtors	44,691	36,914
Amounts due from related undertakings	42,031	23,347
Other debtors	20,870	34,804
Prepayments and accrued income	1,182	1,402

	108,774	96,467
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**12 Creditors: amounts falling due within one year**

Bank loans (secured)	14,287	15,500
Trade creditors	85,162	72,449
Other taxation and social security	440	1,030
Directors loan accounts	43,356	14,995
Participators' loan accounts	20,931	29,991
Accruals and deferred income	5,296	5,307
Other creditors	461	4,700

	169,933	143,972
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**13 Creditors: amounts falling due after more than one year**

Bank loans (secured)	153,529	167,246
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Included within the above are amounts falling due as follows:

Between one and two years	14,687	14,287
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Between two and five years	46,460	45,260
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Over five years	92,382	107,699
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## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

2004

2003

**14 Provisions for liabilities and charges - Deferred taxation**

At 1 January 2004	-	-
Charged during the year	-	-
	<u>          </u>	<u>          </u>
At 31 December 2004	-	-
	<u>          </u>	<u>          </u>

No provision has been made for deferred taxation for accelerated capital allowances as the directors consider that the expected level of profits will remain at the Nil rate in future years. The deferred tax movement for the year is the result of a change in accounting policy to bring the accounts into line with FRS 19. As the amounts are not deemed to have a material effect on the reading of the accounts, no prior year adjustment has been made.

**15 Called up share capital**

Authorised:

100 ordinary shares of £1 each	100	100
	<u>          </u>	<u>          </u>

Allotted, called up and fully paid:

100 ordinary shares of £1 each	100	1
	<u>          </u>	<u>          </u>

On 5 June 2004 a further 99 ordinary shares were issued for cash at par.

**16 Reconciliation of movements in shareholders funds**

	Share Capital	Profit & Loss Account	Total	Total
1 January 2004	1	(21,215)	(21,214)	-
Retained profit (loss) for the year	-	7,390	7,390	(21,215)
Shares issued	99	-	99	1
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
31 December 2004	100	(13,825)	(13,725)	(21,214)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

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**17 Operating lease commitments**

At 31 December 2004 the company has annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>	
	<b>2004</b>	<b>2003</b>
Over 5 years	11,500	11,500

**18 Transactions with directors**

During the year the company paid £15,100 (2003: £13,434) to the director who is a qualified pharmacist for locum services on normal commercial terms.

**19 Related party transactions**

The company secretary who is a 40% shareholder of the company was paid £Nil (2003: £19,600) for locum services during the year on normal commercial terms. The company secretary is a qualified pharmacist.