



OXFORD DRUG COMPANY LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
28 FEBRUARY 1997

OXFORD DRUG COMPANY LIMITED

FINANCIAL STATEMENTS

For the period ended 28 February 1997

Company registration number: 31789

Registered office: Boswell House
 Broad Street
 Oxford
 OX1 3AG

Directors: Mr C G Pearson
 Mr R de P Pearson
 Mr J A H Pearson
 Miss S B Pearson

Secretary: Miss S B Pearson

Bankers: Lloyds Bank Plc
 15 Broad Street
 Oxford
 OX1 3AS

Solicitors: Marshall & Galpin
 Vanbrugh House
 20 St Michael's Street
 Oxford
 OX1 2EA

Auditors: Grant Thornton
 Registered auditors
 Chartered accountants
 1 Westminster Way
 Oxford
 OX2 0PZ

OXFORD DRUG COMPANY LIMITED

FINANCIAL STATEMENTS

For the period ended 28 February 1997

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OXFORD DRUG COMPANY LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the period ended 28 February 1997.

Principal activities

The company is principally engaged in retail trading, mainly in pharmaceutical goods and toys.

There was a profit for the period after taxation amounting to £30,884. Together with the interim dividend of £8,800, the directors recommend payment of a second interim dividend of £18,040. This represents a total for the period of £26,840.

Directors

The present membership of the Board is set out below. All the directors served throughout the period. The directors regret to report the death of Mr A F H Pearson on 25 December 1996.

Mr R de P Pearson retires by rotation and, being eligible, offers himself for re-election.

The interests of the directors and their families in the shares of the company as at 28 February 1997 and 1 March 1996 were as follows:

	Ordinary shares	
	28 February 1997	1 March 1996
Mr C G Pearson	31	31
Mr R de P Pearson	25	25
Mr J A H Pearson	20	20
Miss S B Pearson	3	3

Directors' responsibilities for the financial statements

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- 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 maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

OXFORD DRUG COMPANY LIMITED

REPORT OF THE DIRECTORS

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

Small company exemption

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

ON BEHALF OF THE BOARD



Miss S B Pearson

Secretary

Boswell House
Broad Street
Oxford

14 August 1997

**REPORT OF THE AUDITORS TO THE MEMBERS OF
OXFORD DRUG COMPANY LIMITED**

We have audited the financial statements on pages 4 to 12 which have been prepared under the accounting policies set out on pages 4 to 5.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

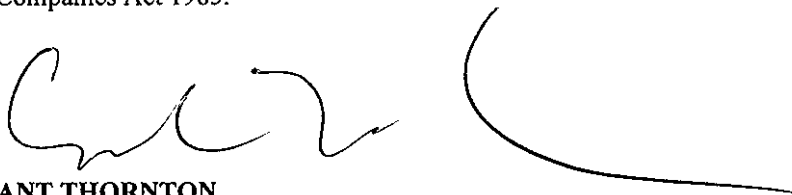
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 28 February 1997 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

OXFORD
14 August 1997

OXFORD DRUG COMPANY LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

TURNOVER

Turnover is the total amount receivable by the company in the ordinary course of business with outside customers for goods supplied as a principal and for services provided, excluding VAT and trade discounts.

INVESTMENTS

Investments are included at cost.

DEPRECIATION

Depreciation is calculated to write down the cost of all tangible fixed assets over their expected useful lives. The methods used are:

Store extension	Remainder of lease
Motor vehicles	20% per annum; reducing balance
Fixtures and fittings	10% per annum; reducing balance
Computers	20% on costs, equal annual instalments

REPAIRS AND RENEWALS

All repairs and renewals are written off as incurred.

STOCKS

Stocks are stated at the lower of cost and net realisable value. Cost means purchase price, transport and handling charges (less trade discounts) determined on a first in first out basis.

Net realisable value means estimated selling price (less trade discounts) less all costs to be incurred in marketing, selling and distribution.

DEFERRED TAXATION

Deferred tax is provided using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

Debit balances arising in respect of advance corporation tax on dividends payable or proposed are carried forward to the extent that they are expected to be recoverable.

LEASED ASSETS

All leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

OXFORD DRUG COMPANY LIMITED

PRINCIPAL ACCOUNTING POLICIES

DEBTORS

Known bad debts are written off and specific provision is made for any considered to be doubtful.

CONTRIBUTIONS TO PENSION FUNDS

The pension costs charged against profits represent the amount of the contributions payable to the company's defined contribution pension scheme in respect of the accounting period.

OXFORD DRUG COMPANY LIMITED**PROFIT AND LOSS ACCOUNT**

For the period ended 28 February 1997

	Note	1997 £	1996 £
Turnover	1	1,707,992	1,510,624
Cost of sales		(1,158,589)	(1,029,725)
Gross profit		549,403	480,899
Administrative expenses		(513,691)	(428,591)
Operating profit		35,712	52,308
Profit on sale of fixed assets		-	4,865
Income from investments		1,911	1,655
Interest received		9,726	8,221
Profit on ordinary activities before taxation	1	47,349	67,049
Tax on profit on ordinary activities	3	(16,465)	(17,862)
Profit for the financial period	13	30,884	49,187
Dividends	4	(26,840)	(25,200)
Profit transferred to reserves	12	4,044	23,987

There were no recognised gains or losses other than the profit for the financial period.

The accompanying accounting policies and notes form an integral part of these financial statements.

OXFORD DRUG COMPANY LIMITED**BALANCE SHEET AT 28 FEBRUARY 1997**

	Note	1997 £	1996 £
Fixed assets			
Tangible assets	5	56,403	57,348
Investments	6	7,852	5,941
		<u>64,255</u>	<u>63,289</u>
Current assets			
Stocks	7	312,065	289,702
Debtors	8	475,416	424,903
Cash at bank and in hand		2,380	1,159
		<u>789,861</u>	<u>715,764</u>
Creditors: amounts falling due within one year	9	(326,029)	(255,240)
Net current assets		<u>463,832</u>	<u>460,524</u>
Total assets less current liabilities		<u>528,087</u>	<u>523,813</u>
Provisions for liabilities and charges	10	(4,880)	(4,650)
		<u>523,207</u>	<u>519,163</u>
Capital and reserves			
Called up share capital	11	2,000	2,000
Share premium account	12	750	750
Profit and loss account	12	520,457	516,413
Shareholders' funds	13	<u>523,207</u>	<u>519,163</u>

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

The financial statements were approved by the Board of Directors on 14 August 1997.

J A Pearson

Director



The accompanying accounting policies and notes form an integral part of these financial statements.

OXFORD DRUG COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 28 February 1997

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities is stated after:	1997 £	1996 £
Auditors' remuneration	5,000	4,775
Depreciation and amortisation:		
Tangible fixed assets, owned	6,093	7,925
Other operating lease rentals	900	900

2 DIRECTORS

The directors received no remuneration during the year (1996 £Nil).

3 TAX ON PROFIT ON ORDINARY ACTIVITIES

Included within tax on profit on ordinary activities are the following:

	1997 £	1996 £
Deferred taxation	230	400

UK Corporation tax has been provided at 24.08% (1996: 25%)

4 DIVIDENDS

	1997 £	1996 £
Ordinary shares - interim dividend paid of £44.00 per share (1996 £44.00)	8,800	8,800
Ordinary shares - second interim dividend proposed of £90.20 per share (1996 final dividend of £82.00)	18,040	16,400
	26,840	25,200

OXFORD DRUG COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 28 February 1997

5 TANGIBLE FIXED ASSETS

	Leasehold improve- ments £	Fixtures, fittings and vehicles £	Total £
Cost			
At 1 March 1996	11,221	109,263	120,484
Additions	-	5,148	5,148
At 28 February 1997	11,221	114,411	125,632
Depreciation			
At 1 March 1996	3,990	59,146	63,136
Charged for the period	190	5,903	6,093
At 28 February 1997	4,180	65,049	69,229
Net book amount at 28 February 1997	7,041	49,362	56,403
Net book amount at 29 February 1996	7,231	50,117	57,348

6 FIXED ASSETS INVESTMENTS

	£
Cost	
At 1 March 1996	5,941
Additions	1,911
At 28 February 1997	7,852
Net book amount at 28 February 1997	7,852
Net book amount at 29 February 1996	5,941

Investments are stated at cost and include £6,570 (1996 £5,040) listed on a recognised stock exchange. The aggregate market value of listed investments at 28 February 1997 was £47,503 (1996 £44,924).

7 STOCKS

	1997 £	1996 £
Goods for resale	312,065	289,702

OXFORD DRUG COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the period ended 28 February 1997

8 DEBTORS

	1997 £	1996 £
Trade debtors	48,998	44,281
H Boswell & Co Limited	421,430	372,558
Other debtors	478	8,064
Taxation recoverable	4,510	-
	<u>475,416</u>	<u>424,903</u>

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1997 £	1996 £
Bank overdraft	55,384	41,886
Trade creditors	149,819	131,320
Boswells Properties Limited	8,500	12,717
Corporation tax	18,792	14,450
Social security and other taxes	19,543	21,658
Other creditors	73,991	33,209
	<u>326,029</u>	<u>255,240</u>

10 PROVISIONS FOR LIABILITIES AND CHARGES

	Other provisions £
At 1 March 1996	4,650
Provided during the period	230
At 28 February 1997	<u>4,880</u>

OXFORD DRUG COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 28 February 1997

11 SHARE CAPITAL

	1997 £	1996 £
Authorised, allotted, called up and fully paid ordinary shares of £10 each	2,000	2,000

12 SHARE PREMIUM ACCOUNT AND RESERVES

	Share premium account £	Profit and loss account £
At 1 March 1996	750	516,413
Retained profit for the period	-	4,044
At 28 February 1997	750	520,457

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997 £	1996 £
Profit for the financial period	30,884	49,187
Dividends	(26,840)	(25,200)
Net increase in shareholders' funds	4,044	23,987
Shareholders' funds at 1 March 1996	519,163	495,176
Shareholders' funds at 28 February 1997	523,207	519,163

14 CAPITAL COMMITMENTS

The company had no capital commitments at 28 February 1997 or 29 February 1996.

15 CONTINGENT LIABILITIES

There were no contingent liabilities at 28 February 1997 or 29 February 1996.

OXFORD DRUG COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 28 February 1997

16 PENSIONS

Defined Contribution Scheme

The company operates a non-contributory insured defined contribution pension scheme for the benefit of directors and senior employees. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The pension cost charge for the period was £2,058 (1996 £1,993).

17 LEASING COMMITMENTS

Operating lease payments amounting to £900 (1996: £900) are due within one year. The leases to which these amounts relate are for the rent of premises and expire in five years or more.

18 TRANSACTIONS WITH DIRECTORS AND RELATED PARTIES

All the directors of this company are directors and shareholders of H Boswell & Co Limited and Boswells Properties Limited. Debtors include £421,430 (1996 £372,558) due from H Boswell & Co Limited for trading expenses paid by Oxford Drug Company Limited on behalf of this company. Creditors include £8,500 (1996 £12,717) due to Boswells Properties Limited for trading expenses paid on Oxford Drug Company Limited's behalf.

In addition the company rents premises from Boswells Properties Limited at a rent below current market value.