

**OXFORD DRUG COMPANY LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED**

**29 FEBRUARY 1996**



Company no 31789

# **OXFORD DRUG COMPANY LIMITED**

## **FINANCIAL STATEMENTS**

For the period ended 29 February 1996

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Company registration number: 31789

Registered office:           Boswell House  
                                  Broad Street  
                                  Oxford  
                                  OX1 3AG

Directors:                   Mr A F H Pearson  
                                  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 29 February 1996

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# OXFORD DRUG COMPANY LIMITED

## REPORT OF THE DIRECTORS

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The directors present their report together with financial statements for the period ended 29 February 1996.

### Principal activities

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

### Business review

The company has had a satisfactory year and the directors are of the opinion that the company will continue to trade profitably in the future.

There was a profit for the period after taxation amounting to £49,187 (1995: profit £33,610). The directors recommend dividends absorbing £25,200 (1995: £23,400), leaving £23,987 retained (1995: £10,210 retained).

### Directors

The present membership of the Board is set out below. All directors served throughout the period.

Mr C G 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 29 February 1996 and 1 March 1995 were as follows:

	Ordinary shares	
	29 February 1996	1 March 1995
Mr A F H Pearson	21	21
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 keeping 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**

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**Auditors**

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

**ON BEHALF OF THE BOARD**



Miss S B Pearson

**Secretary**

Boswell House  
Broad Street  
Oxford

11 July 1996

**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 the 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 29 February 1996 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  
11 July 1996**

# **OXFORD DRUG COMPANY LIMITED**

## **PRINCIPAL ACCOUNTING POLICIES**

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### **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:

Motor vehicles	20% per annum; reducing balance
Fixtures and fittings	10% per annum; reducing balance
Store extension	Remainder of lease
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 for under the liability method 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**

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#### **DEBTORS**

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

#### **BANK BALANCES**

Bank balances are as stated in the bank statements, outstanding cheques and receipts being included in creditors and debtors respectively.

#### **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 29 February 1996

	Note	1996 £	1995 £
<b>Turnover</b>	1	<b>1,510,624</b>	1,457,866
Cost of sales		<b>1,029,725</b>	1,014,667
Gross profit		<b>480,899</b>	443,199
Administrative expenses		<b>428,591</b>	406,757
<b>Operating profit</b>		<b>52,308</b>	36,442
Profit on sale of investments		<b>(4,865)</b>	-
Income from investments		<b>(1,655)</b>	(1,828)
Interest receivable	3	<b>(8,221)</b>	(7,435)
<b>Profit on ordinary activities before taxation</b>	1	<b>67,049</b>	45,705
Tax on profit on ordinary activities	4	<b>17,862</b>	12,095
<b>Profit for the financial period</b>	13	<b>49,187</b>	33,610
Dividends	5	<b>25,200</b>	23,400
<b>Profit transferred to reserves</b>	12	<b>23,987</b>	10,210

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 29 FEBRUARY 1996**

	Note	1996 £	1995 £
<b>Fixed assets</b>			
Tangible assets	6	57,348	54,122
Investments	7	5,941	14,091
		<u>63,289</u>	<u>68,213</u>
<b>Current assets</b>			
Stocks	8	289,702	256,917
Debtors	9	424,903	342,885
Cash at bank and in hand		1,159	24,097
		<u>715,764</u>	<u>623,899</u>
<b>Creditors: amounts falling due within one year</b>	10	259,890	196,936
<b>Net current assets</b>		<u>455,874</u>	<u>426,963</u>
<b>Total assets less current liabilities</b>		<u>519,163</u>	<u>495,176</u>
<b>Capital and reserves</b>			
Called up share capital	11	2,000	2,000
Share premium account	12	750	750
Profit and loss account	12	516,413	492,426
<b>Shareholders' funds</b>	13	<u>519,163</u>	<u>495,176</u>

The financial statements were approved by the Board of Directors on 11 July 1996.

J A H 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 29 February 1996

### 1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities is stated after:	1996 £	1995 £
Auditors' remuneration	4,775	4,775
Depreciation and amortisation:		
Tangible fixed assets, owned	7,925	6,189
Management charges	50,000	48,000

### 2 DIRECTORS AND EMPLOYEES

The directors received no remuneration during the year (1995 Nil)

### 3 INTEREST RECEIVABLE

	1996 £	1995 £
Bank interest receivable	(8,221)	(7,435)

### 4 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge is based on the profit for the period and represents:

	1996 £	1995 £
UK Corporation tax at 25% (1995: 25%)	18,100	11,295
Deferred taxation	400	800
Tax attributable to franked investment income	331	-
	18,831	12,095
Adjustments in respect of prior periods:		
Corporation tax	(969)	-
	17,862	12,095

# OXFORD DRUG COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 29 February 1996

### 5 DIVIDENDS

	1996 £	1995 £
Ordinary shares - interim dividend paid of 4400p per share (1995 4400p)	8,800	8,800
Ordinary shares - final dividend proposed of 8200p per share (1995 7300p)	16,400	14,600
	<u>25,200</u>	<u>23,400</u>

### 6 TANGIBLE FIXED ASSETS

	Short Leashold. Store extension £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 March 1995	11,221	-	98,112	109,333
Additions	-	11,151	-	11,151
At 29 February 1996	<u>11,221</u>	<u>11,151</u>	<u>98,112</u>	<u>120,484</u>
Depreciation				
At 1 March 1995	3,800	-	51,411	55,211
Provided in the period	190	2,231	5,504	7,925
At 29 February 1996	<u>3,990</u>	<u>2,231</u>	<u>56,915</u>	<u>63,136</u>
Net book amount at 29 February 1996	<u>7,231</u>	<u>8,920</u>	<u>41,197</u>	<u>57,348</u>
Net book amount at 28 February 1995	<u>7,421</u>	<u>-</u>	<u>46,701</u>	<u>54,122</u>

# OXFORD DRUG COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 29 February 1996

### 7 FIXED ASSETS INVESTMENTS

	Investments other than loans £	Total £
Cost		
At 1 March 1995	14,091	14,091
Additions	1,324	1,324
Disposals	(9,474)	(9,474)
At 29 February 1996	5,941	5,941
Net book amount at 29 February 1996	5,941	5,941
Net book amount at 28 February 1995	14,091	14,091

Investments are stated at cost and include £5,040 (1995 £3,716) listed on a recognised stock exchange. The aggregate market value of listed investments at 29 February 1996 was £44,924 (1995 £44,961).

### 8 STOCKS

	1996 £	1995 £
Goods for resale	289,702	256,917

### 9 DEBTORS

	1996 £	1995 £
Trade debtors	44,281	39,180
H Boswell & Co Limited	372,558	292,893
Other debtors	1,101	6,053
Prepayments and accrued income	6,963	4,759
	424,903	342,885

# OXFORD DRUG COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 29 February 1996

### 10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1996 £	1995 £
Trade creditors	173,206	127,829
Boswells Properties Limited	12,717	6,413
Corporation tax	19,100	11,800
Social security and other taxes	21,658	18,783
Proposed dividends	16,400	14,600
Other creditors	16,809	17,511
	<u>259,890</u>	<u>196,936</u>

### 11 SHARE CAPITAL

	1996 £	1995 £
Authorised, allotted, called up and fully paid ordinary shares of £10 each	<u>2,000</u>	<u>2,000</u>

### 12 SHARE PREMIUM ACCOUNT AND RESERVES

	Share premium account £	Profit and loss account £
At 1 March 1995	750	492,426
Retained profit for the period	-	23,987
At 29 February 1996	<u>750</u>	<u>516,413</u>

### 13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1996 £	1995 £
Profit for the financial period	49,187	33,610
Dividends	(25,200)	(23,400)
Net increase in shareholders' funds	<u>23,987</u>	<u>10,210</u>
Shareholders' funds at 1 March 1995	495,176	484,966
Shareholders' funds at 29 February 1996	<u>519,163</u>	<u>495,176</u>

**OXFORD DRUG COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

For the period ended 29 February 1996

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**14 TRANSACTIONS WITH DIRECTORS**

All the directors of this company are directors and shareholders of Boswells Properties Limited from which this company rents premises at a rent below current market value.

**15 CAPITAL COMMITMENTS**

The company had no capital commitments at 29 February 1996 or 28 February 1995.

**16 CONTINGENT LIABILITIES**

There were no contingent liabilities at 29 February 1996 or 28 February 1995.

**17 PENSIONS**

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