

Company Registration No. 286222

E Moss Limited

Report and Financial Statements

31 December 2004



E Moss Limited

Report and financial statements 2004

Contents	Page
Directors' report	1
Statement of directors responsibilities	3
Independent auditors' report	4
Profit and loss account	5
Note of historical cost profits and losses	6
Balance sheet	7
Reconciliation of movements in shareholders' funds	8
Notes to the accounts	9

E Moss Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2004.

Activities

The main activity of the company continues to be the retailing of pharmaceutical and allied products.

The company operated 925 branches nationwide at the year end (2003 – 865).

Review of developments and future prospects

The directors consider the level of business and the year end financial position to be satisfactory. It is intended to continue expanding the number of pharmacies operated by the company through acquiring new branches either individually or in groups.

Results and dividend

The profit for the year after taxation amounted to £47,479,000 (2003 - £33,180,000).

The directors have declared and paid an interim dividend of £30,544,000 (2003 – interim dividend £28,579,000). They do not recommend a final dividend (2003: nil).

Employee information

Information is provided to employees and their views ascertained through the operation of a training and management scheme and the publication of regular information sheets.

During the year, the policy of the company has been to employ suitably qualified disabled persons and, as far as possible, to offer those individuals the same training, career development and promotion opportunities within the group as are offered to those who are not disabled.

Directors and their interests

The directors who held office throughout the year ended 31 December 2004 are as follows:

B M Andrews (Chairman)
S W J Duncan
S Hulme
P D Kennerley
S F Liebling
A J M Prosser
S M Rockhill
T J Scicluna
D G Williams

None of the directors listed above held any shares in the company.

S W J Duncan is also a director of Alliance UniChem Plc, the ultimate parent company, and his interests in the shares of that company are shown in Alliance UniChem Plc's accounts.

E Moss Limited

Directors' report

Directors and their interests (continued)

The interests of the other directors in the 10p ordinary shares of Alliance UniChem Plc at 31 December 2004 and 1 January 2004 are as follows:

	Beneficial holdings	
	31 December 2004 No.	1 January 2004 No.
B M Andrews	12,198	6,376
S Hulme	-	1,064
P D Kennerley	1,331	1,331
A J M Prosser	-	3,329
S M Rockhill	4,777	2,055

	Share options				
	31 December 2004 No.	Granted in the year No.	Exercised in the year No.	Lapsed in the year No.	1 January 2004 No.
B M Andrews	-	-	8,565	-	8,565
S Hulme	52,268	18,000	15,000	-	49,268
P D Kennerley	50,804	18,000	35,000	-	67,804
S F Liebling	50,804	18,000	35,000	-	67,804
A J M Prosser	50,804	18,000	15,000	-	47,804
S M Rockhill	64,949	18,000	32,636	-	79,585
T J Scicluna	20,142	20,142	-	-	-

No directors had any interests in any other group companies.

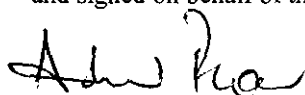
Payment of suppliers

It is the policy of the company to abide by the payment terms negotiated with each of its suppliers whenever it is satisfied that the invoiced goods or services have been supplied in accordance with agreed terms and conditions. The trade creditors of the company at 31 December 2004 were equivalent to 92 days (97 days in 2003) purchases, based on average daily amount invoiced by suppliers during the year.

Auditors

A resolution to re-appoint Deloitte & Touche LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



A J M Prosser
Director

28 April 2005

E Moss Limited

Statement of directors' responsibilities

United Kingdom 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 as at the end of the financial year 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;
- state whether applicable accounting standards have been followed; and
- 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of E Moss Limited

We have audited the financial statements of E Moss Limited for the year ended 31 December 2004 which comprise the profit and loss account, the note of historical cost profits and losses, the balance sheet, the reconciliation of movements in shareholders' funds and the related notes 1 to 23. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company and other members of the group is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 circumstances of the company, and are 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 affairs of the company as at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

28 April 2005

E Moss Limited

Profit and loss account Year ended 31 December 2004

	Note	2004 £'000	2003 £'000
Turnover			
Continuing operations		837,238	757,998
Acquisitions		27,240	18,616
Total turnover	2	864,478	776,614
Cost of sales	2	(649,854)	(607,973)
Gross profit	2	214,624	168,641
Administrative expenses	2	(129,578)	(109,562)
Other operating income	2,4	375	292
Operating profit			
Continuing operations		84,960	57,340
Acquisitions		461	2,031
Total operating profit	2,5	85,421	59,371
(Loss)/profit on disposal of fixed assets in continuing operations		(313)	2,706
(Loss)/profit on disposal of pharmacy licences		(70)	11
Profit on ordinary activities before interest		85,038	62,088
Bank interest receivable and similar income		40	111
Interest payable and similar charges	6	(17,249)	(9,945)
Profit on ordinary activities before taxation		67,829	52,254
Tax on profit on ordinary activities	7	(20,350)	(19,074)
Profit on ordinary activities after taxation		47,479	33,180
Equity dividends paid	8	(30,544)	(28,579)
Retained profit for the financial year	20	16,935	4,601

There were no recognised gains or losses other than the profit for the current year and prior year.

E Moss Limited

Note of historical cost profits and losses Year ended 31 December 2004

	2004 £'000	2003 £'000
Reported profit on ordinary activities before taxation	67,829	52,254
Realisation of property revaluation gains of previous years	-	860
Difference between an historical cost depreciation charge and the actual depreciation charge for the year	17	17
Historical cost profit on ordinary activities before taxation	67,846	53,131
Historical cost profit on ordinary activities for the year retained after taxation and dividends	16,952	5,478

E Moss Limited

Balance sheet 31 December 2004


	Note	2004 £'000	2003 £'000
Fixed assets			
Intangible assets	9	484,497	426,998
Tangible assets	10	66,191	44,095
Investments	11	6,516	9,085
		<u>557,204</u>	<u>480,178</u>
Current assets			
Stocks	12	76,902	65,803
Debts subject to financing arrangements:			
Securitised receivables		39,743	41,901
Non-recourse receipts		(35,000)	(35,000)
Net securitised receivables	13	4,743	6,901
Debtors	13	69,934	103,896
Cash at bank and in hand		2,497	26,984
		<u>154,076</u>	<u>203,584</u>
Creditors: amounts falling due within one year	14	(190,652)	(203,987)
Net current liabilities		<u>(36,576)</u>	<u>(403)</u>
Total assets less current liabilities		<u>520,628</u>	<u>479,775</u>
Creditors: amounts falling due after more than one year			
Amounts owed to group undertakings	19	(196,273)	(185,473)
Obligations under finance leases	17	(10,340)	(3)
Provisions for liabilities and charges	15	<u>(5,069)</u>	<u>(2,938)</u>
Net assets		<u><u>308,946</u></u>	<u><u>291,361</u></u>
Capital and reserves			
Called up share capital	16	243,938	243,288
Share premium account	20	15,000	15,000
Revaluation reserve	20	15,639	15,639
Profit and loss account	20	34,369	17,434
Equity shareholders' funds		<u><u>308,946</u></u>	<u><u>291,361</u></u>

These financial statements were approved by the Board of Directors on 28 April 2005.

Signed on behalf of the Board of Directors



S W J Duncan
Director



A J M Prosser
Director

E Moss Limited

Reconciliation of movements in shareholders' funds Year ended 31 December 2004

	2004 £'000	2003 £'000
Profit for the financial year	47,479	33,180
Dividends paid	<u>(30,544)</u>	<u>(28,579)</u>
Retained profit for the financial year	16,935	4,601
Shares allotted during the year	<u>650</u>	<u>442</u>
Net addition to shareholders' funds	17,585	5,043
Opening shareholders' funds	<u>291,361</u>	<u>286,318</u>
Closing shareholders' funds	<u><u>308,946</u></u>	<u><u>291,361</u></u>

E Moss Limited

Notes to the accounts

Year ended 31 December 2004

1. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of fixed assets, in accordance with generally accepted accounting principles and applicable United Kingdom accounting standards. The principal accounting policies adopted within that convention are set out below. These are unchanged from the previous year.

Exemption from requirement to prepare group accounts

The company is entitled to the exemption conferred by Section 228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements represent the trade and position of E Moss Limited as an individual entity.

Cash flow statement

The group has taken advantage of the exemption allowed under Financial Reporting Standards No. 1 (Revised), "Cash Flow Statements" from the requirement to present a cash flow statement because it is a wholly owned subsidiary undertaking of Alliance UniChem Plc whose consolidated financial statements are publicly available.

Turnover

Turnover is the amount derived from the sale of goods and services in the normal course of business outside the company, net of trade discounts, value added tax and other sales related taxes.

Retail pharmacy licences

Retail pharmacy licences, being the exclusive right to be reimbursed for the dispensing of prescription medicines from a specified location, are capitalised, where there is an asset that can be separated from the other identifiable assets that together form a retail pharmacy business. As they do not have a finite economic life they are not amortised and are subjected to an annual impairment test. The director's valuation of retail pharmacy licences less any impairment in value is included in intangible fixed assets.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated to write down the cost of these assets to their estimated residual values on a straight line basis over the period of their estimated useful economic lives:

Freehold buildings	- 50 years
Long and short leasehold properties	- the shorter of the period of the lease and 50 years
Furniture, fixtures tools and equipment	- between 3 and 10 years
Motor vehicles and leased assets	- between 4 and 5 years

Freehold land is not depreciated.

Leased assets

Assets held under finance leases are capitalised and depreciated over the estimated useful life of the asset. Finance charges are allocated over the primary period of the lease in proportion to the capital element of the lease outstanding. Costs of operating leases are charged to the profit and loss account on a straight line basis.

Investments

Investments are stated at cost less provision for impairment.

Stocks

Stocks consist of goods held for resale and are stated at the lower of cost and net realisable value.

E Moss Limited

Notes to the accounts

Year ended 31 December 2004

1. Accounting policies (continued)

Pensions

Financial Reporting Standard 17, 'Retirement benefits' (FRS 17) has been adopted by Alliance UniChem Plc in full with effect from 1 January 2003. The adoption of FRS 17 has required a change to the accounting treatment of defined benefit pension arrangements, such that Alliance UniChem Plc includes the assets and liabilities of these arrangements in the group's balance sheet. Current service costs, curtailment and settlement gains and losses, and net financial returns are included in the profit and loss account in the period to which they relate. Actuarial gains and losses are recognised in the statement of total recognised gains and losses.

The company participates in a funded benefit scheme operated by Alliance UniChem Plc, however E Moss Limited is unable to identify its share of the underlying assets and liabilities. The company itself accounts for the scheme as if it were a defined contribution scheme in accordance with FRS 17.

Deferred taxation

Deferred tax is provided in full on timing differences which 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 they crystallise based on current tax rates and law, at the balance sheet date. Deferred tax is not provided on timing differences arising from either the revaluation of fixed assets or rolled over gains where there is no commitment to sell the asset. Deferred tax is only provided on unremitted earnings of subsidiaries and associates where there is a commitment to remit the earnings. Deferred tax assets are recognised to the extent that they are regarded as more likely than not to be recovered. Deferred tax assets and liabilities are not discounted.

Securitised receivables

Where the company has sold trade receivables and received an initial cash payment on a non-recourse basis in return, the gross amount of the trade receivables sold is disclosed on the face of the balance sheet as securitised receivables and the amounts received as non-recourse receipts. The company retains an interest in the receivables represented by the net of these two amounts.

Charges payable in respect of receivables so securitised that are fixed are paid by Alliance UniChem Plc.

2. Analysis of turnover and profit, acquisitions and continuing operations

	Acquisitions	Continuing operations	Total	Total
	2004	2004	2004	2003
	£'000	£'000	£'000	£'000
Turnover	27,240	837,238	864,478	776,614
Cost of sales	(22,187)	(578,057)	(600,244)	(607,973)
Gross profit	5,053	259,181	264,234	168,641
Administrative expenses	(4,592)	(174,596)	(179,188)	(109,562)
Other operating income	-	375	375	292
Operating profit	461	84,960	85,421	59,371

Turnover and profit before taxation are derived almost entirely from the provision of pharmaceutical and related goods and services in the United Kingdom.

E Moss Limited

Notes to the accounts

Year ended 31 December 2004

3. Information regarding directors and employees

	2004 £'000	2003 £'000
Directors' emoluments		
Aggregate emoluments	1,575	1,075
Company contributions to pension schemes	113	124
	<u>1,688</u>	<u>1,199</u>
	No.	No.
Number of directors who:		
- are members of a defined benefit scheme	8	8
- exercised options in the year	6	5
	<u>£'000</u>	<u>£'000</u>
The highest paid director received:		
Emoluments	380	236
Company contributions to pension schemes	31	19
	<u>411</u>	<u>255</u>
	<u>140</u>	<u>128</u>
Accrued pension benefit entitlement at the end of the year		

All remuneration was in respect of the management of the company during the year.

S W Duncan is also a director of Alliance UniChem Plc, the ultimate parent company. Details of his emoluments are shown in Alliance UniChem Plc's accounts.

Average number of persons employed (including directors)	No.	No.
Sales and distribution	7,521	7,395
Administration	356	377
	<u>7,877</u>	<u>7,772</u>
Staff costs during the year (including directors)	£'000	£'000
Wages and salaries	93,446	92,315
Social security costs	6,843	5,858
Pension costs	3,393	3,261
	<u>103,682</u>	<u>101,434</u>

Notes to the accounts
Year ended 31 December 2004

	2004 £'000	2003 £'000
Dividends received from health centres	375	292

	2004 £'000	2003 £'000
Operating profit is after charging:		
Depreciation		
Owned assets	8,332	5,634
Assets held under finance leases and hire purchase contracts	15	15
Rentals under operating leases		
Land and buildings	12,701	10,845
Auditors' fees	86	67

	2004 £'000	2003 £'000
Bank loans and overdrafts	17,239	9,935
Finance leases and hire purchase contracts	10	10
	<u>17,249</u>	<u>9,945</u>

	2004 £'000	2003 £'000
United Kingdom corporation tax at 30% (2003 –30%)	18,665	14,882
Adjustment in respect of prior periods	(446)	3,095
	<hr/>	<hr/>
	18,219	17,977
Deferred taxation		
Origination and reversal of timing differences – pension	749	932
– other	1,477	686
Adjustment in respect of prior periods	(95)	(521)
	<hr/>	<hr/>
Total deferred tax	2,131	1,097
	<hr/>	<hr/>
Tax on profit on ordinary activities	20,350	19,074

E Moss Limited

Notes to the accounts

Year ended 31 December 2004

7. Tax on profit on ordinary activities (continued)

	2004 £'000	2003 £'000
Reconciliation of the current tax charge		
Profit on ordinary activities before taxation	67,829	52,254
Tax charge at standard rate	20,350	15,676
Permanent differences	652	671
Dividends from UK companies, not taxable	(111)	(88)
Disposal of revalued property and goodwill	-	(576)
Timing differences (reversing) – pension	(749)	(932)
Timing differences (reversing) – other	(1,477)	(686)
Payment for group relief in excess of 30% – current period	-	817
Payment for group relief in excess of 30% – prior period	-	3,089
Other prior period adjustment	(446)	6
Current tax charge for the year	18,219	17,977

8. Equity dividends paid

	2004 £'000	2003 £'000
Interim dividend paid 12.52p per ordinary share (2003 – 11.75p)	30,544	28,579

9. Intangible fixed assets

In accordance with FRS 10, intangible fixed assets, which are regarded as having an indefinite useful economic life, are not amortised but are subject to an annual impairment test.

The annual impairment test supports the carrying value of the pharmacy licences and, consequently, there was no impairment charge in the year.

	£'000
At 1 January 2004	426,998
Acquired	54,401
Finalisation of provisional fair values	3,882
Disposals	(784)
At 31 December 2004	484,497

E Moss Limited

Notes to the accounts Year ended 31 December 2004

10. Tangible fixed assets

	Freehold property £'000	Long leasehold property £'000	Short leasehold property £'000	Fixtures, fittings, tools and equipment £'000	Motor vehicles £'000	Total £'000
Cost or valuation						
At 1 January 2004	12,151	2,424	2,025	51,223	4,050	71,873
Additions	1,462	7,876	3,864	16,710	1,459	31,371
Disposals	(3)	-	(2)	(1,088)	(1,389)	(2,482)
At 31 December 2004	13,610	10,300	5,887	66,845	4,120	100,762
Accumulated depreciation						
At 1 January 2004	(2,126)	(820)	(748)	(22,314)	(1,770)	(27,778)
Charge for year	(260)	(43)	(170)	(6,936)	(938)	(8,347)
Disposals	3	-	2	550	999	1,554
At 31 December 2004	(2383)	(863)	(916)	(28,700)	(1,709)	(34,571)
Net book value						
At 31 December 2004	11,227	9,437	4,971	38,145	2,411	66,191
At 31 December 2003	10,025	1,604	1,277	28,909	2,280	44,095

Certain freehold and long leasehold properties were revalued in 1991 at £1,245,000. The historical cost of these properties is £131,000 and their historical net book value is £100,000. Included in fixtures, fittings, tools and equipment are assets held under finance lease contracts having a net book value of £52,000 (2003 - £67,000).

Included in long leasehold property are assets held under finance lease having a net book value of £7,530,213 (2003: £nil). Included in short leasehold property are assets held under finance lease having a net book value of £3,031,592 (2003: £nil).

E Moss Limited

Notes to the accounts

Year ended 31 December 2004

11. Investments

	Shares in subsidiaries £'000	Other investments £'000	Total £'000
Cost			
At 1 January 2004	7,753	1,332	9,085
Investments acquired during the year	34,974	-	34,974
Dividends from newly acquired subsidiaries	(33,947)	-	(33,947)
Write down of investments during the year	(3,540)	(56)	(3,596)
At 31 December 2004	5,240	1,276	6,516

Additional information on the acquisition of subsidiary undertakings of E Moss Limited is as follows:

Name of subsidiary undertaking	Country of registration	Activity	Portion of ordinary shares held %
WEP Ltd	Scotland	Retail Pharmacy	100
WEP (Fortrose) Ltd	Scotland	Retail Pharmacy	100
Mount Road Pharmacy Ltd	England and Wales	Retail Pharmacy	100
Babtie & Campbell Ltd	Scotland	Retail Pharmacy	100
David Taylor's Pharmacy Ltd	England and Wales	Retail Pharmacy	100
Joyce Morrison Ltd	Scotland	Retail Pharmacy	100
John Gordon (Chemists) Ltd	Scotland	Retail Pharmacy	100
Strathclyde Pharmacy Ltd	Scotland	Retail Pharmacy	100

In the opinion of the directors the aggregate value of the shares is not less than the total amount at which they are stated in the balance sheet.

Provisional fair value and acquisition information in relation to the 20 trade and asset acquisitions in the year is set out below. No acquisition is considered to be material in isolation.

Composition	Book value £000	Fair value £000
Intangible fixed assets	-	12,459
Tangible fixed assets	412	412
Stock	1,075	1,075
		<u>13,946</u>
Satisfied by :-		
Cash		<u>13,946</u>
Total consideration		<u>13,946</u>

12. Stocks

Stocks consist of goods held for resale. Their replacement cost does not differ significantly from the carrying value.

E Moss Limited

Notes to the accounts Year ended 31 December 2004

13. Debtors

	2004 £'000	2003 £'000
Trade debtors	48,680	77,599
Amounts owed by group undertakings	46	-
Other debtors	9,409	12,285
Prepayments and accrued income	6,198	10,907
Pension prepayment	5,601	3,105
	<u>69,934</u>	<u>103,896</u>

Securitised receivables

During 2001, the company along with UniChem Ltd, entered into a five year agreement to sell UK receivables up to Alliance No.1 PLC ("Alliance"). Alliance has issued £100m of securitised notes to independent investors to finance the purchase of the receivables. The company has provided subordinated finance totalling £4.7m, representing the excess of the face value of the receivables sold over the £35m received. The secured notes are serviceable only from the cash flows generated from the securitised receivables, the subordinated finance of £4.7m from the company and the £8.2m of finance provided by UniChem Ltd.

The Alliance UniChem Group ("the Group") is not obliged to support any losses in respect of the securitised receivables other than to the extent of the subordinated loans and does not intend to do so. This is clearly stated in the agreements with the note holders.

The controlling interest in Alliance is held by a discretionary trust established for charitable purposes. The Group receives interest on the subordinated loans and is paid administration fees by Alliance. Alliance is a quasi-subsiidiary of the Group, and its summarised results are included in the Group financial statements.

14. Creditors: amounts falling due within one year

	2004 £'000	2003 £'000
Trade creditors	11,930	28,817
Obligations under finance leases and hire purchase contracts (note 17)	223	2
Amounts owed to group undertakings	151,802	133,717
Corporation tax	11,123	6,677
Other taxes and social security	3,133	1,697
Other creditors	4,019	26,495
Accruals and deferred income	8,422	6,582
	<u>190,652</u>	<u>203,987</u>

E Moss Limited

Notes to the accounts Year ended 31 December 2004

15. Provisions for liabilities and charges

	2004 £'000	2003 £'000
Deferred taxation		
Balance at 1 January	2,938	1,841
Charge for the year	2,226	1,618
Prior period charge	(95)	(521)
Balance at 31 December	<u>5,069</u>	<u>2,938</u>

The amounts provided in the financial statements and the amounts not provided are:

	Provided		Not provided	
	2004 £'000	2003 £'000	2004 £'000	2003 £'000
Capital allowances in advance of depreciation	3,804	2,191	-	-
Short term timing differences	1,265	747	-	-
Revaluation of property and goodwill	-	-	4,692	4,955
Chargeable gains deferred by roll over relief	-	-	8,489	8,489
	<u>5,069</u>	<u>2,938</u>	<u>13,181</u>	<u>13,444</u>

16. Called up share capital

	2004 £'000	2003 £'000
Authorised :		
400,000,000 (2003 – 400,000,000) ordinary shares of £1 each	<u>400,000</u>	<u>400,000</u>
Called up, allotted and fully paid :		
243,937,797 (2003 – 243,287,797) ordinary shares of £1 each	<u>243,938</u>	<u>243,288</u>

During the year, the company issued 650,000 ordinary shares of £1 each to Alliance Unichem Group Limited at par in connection with the acquisition of subsidiaries.

E Moss Limited

Notes to the accounts Year ended 31 December 2004

17. Financial commitments

	2004 £'000	2003 £'000
Obligations under finance leases and hire purchase contracts		
Minimum lease payments due:		
Within one year	223	2
Within two to five years	960	3
After five years	9,380	-
	<u>10,563</u>	<u>5</u>

Operating lease commitments

At 31 December 2004 the company was committed to making the following payments during the next year in respect of non-cancellable operating leases on land and buildings:

	2004 Land and Buildings £'000	2003 Land and Buildings £'000
Leases which expire:		
Within one year	332	315
Within two to five years	1,534	2,123
After five years	7,607	8,407
	<u>9,473</u>	<u>10,845</u>

Capital commitments

Capital expenditure contracted for, to the extent that it has not been provided for at the year end, amounts to £969,941 (2003- £2,571,000).

18. Pension scheme

Financial Reporting Standard 17, 'Retirement benefits' (FRS 17) has been adopted by Alliance UniChem Plc in full with effect from 1 January 2003. The adoption of FRS 17 has required a change to the accounting treatment of defined benefit pension arrangements, such that Alliance UniChem Plc includes the assets and liabilities of these arrangements in the Group's balance sheet. Current service costs, curtailment and settlement gains and losses, and net financial returns are included in the profit and loss account in the period to which they relate. Actuarial gains and losses are recognised in the statement of total recognised gains and losses.

The company participates in a funded benefit scheme operated by Alliance UniChem Plc, however E Moss Limited is unable to identify its share of the underlying assets and liabilities. The company itself accounts for the scheme as if it were a defined contribution scheme in accordance with FRS 17. The pension scheme deficit at 31 December 2004 is £36.5m (2003: £37.4m). Full disclosure of the group pension scheme is shown in the consolidated financial statements of Alliance UniChem Plc, which are publicly available.

During the year the company made contributions amounting to £3,393,000 (2003: £3,261,000). Contributions of 10.9% of salaries are to be made in 2005.

E Moss Limited

Notes to the accounts

Year ended 31 December 2004

19. Amounts owed to group undertakings

Amounts owed to Alliance UniChem Plc and fellow subsidiaries at 31 December 2004 were £348,075,000 (2003 - £320,084,000). Of the total debt £196,273,000 (2003 - £185,473,000) has been classified as an amount falling due after more than one year, consistent with the intent of Alliance UniChem Plc. This is interest bearing debt with the interest rate based on one month LIBOR. No specific date of repayment has been established.

20. Movement on reserves

	Share premium £'000	Revaluation reserve £'000	Profit and loss reserve £'000
Balance at 1 January 2004	15,000	15,639	17,434
Retained profit for the financial year	-	-	16,935
Balance at 31 December 2004	15,000	15,639	34,369

The revaluation reserve arose on the revaluation of freehold and long leasehold properties in November 1991 and the directors' valuation of retail pharmacy licences.

21. Contingent liabilities

The company has entered into a Cross Guarantee arrangement with Alliance UniChem Plc, in favour of a third party in respect of finance facilities extended to the group. At the year end there was no liability under this arrangement (2003 - £nil).

22. Ultimate parent company

The immediate parent company is Alliance Unichem Group Limited. The ultimate parent company and controlling party is Alliance UniChem Plc, a company incorporated in Great Britain, which is the parent undertaking of the only group which includes the company and for which group financial statements are prepared. Group accounts are obtainable from Alliance UniChem plc at 2 The Heights, Brooklands, Weybridge, Surrey KT13 0NY.

23. Related party disclosures

The company has taken advantage of the exemption in paragraph 3(c) of Financial Reporting Standard No.8 "Related Party Disclosures" not to disclose transactions with entities that are part of the group or investees of the group qualifying as related parties.