

K G ORME LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

COMPANY REGISTERED NUMBER : 1062168



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K G ORME LIMITED

CONTENTS

	<u>Page</u>
Directors' report	1 - 2
Auditors report	3
Revenue account	4
Balance sheet	5
Notes	6 - 9

K G ORME LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2000

The directors present their directors' report and audited financial statements of the company for the year ended 30 June 2000. (Comparative figures are for the year ended 30 June 1999).

Principal Activities

The principal activity of the company was that of a retail chemist. The company transferred all its assets and liabilities to Co-op Health Care Limited on 1 March 2000 and ceased to trade at this date.

Directors

The directors serving during the period and their beneficial interests in the company's share capital were as follows:-

	30 June 2000	30 June 1999
K. G. Orme (Resigned 29 February 2000)	-	3,999
Mrs E. Orme (Resigned 29 February 2000)	-	1
M. D. Beaumont (Appointed 1 March 2000)	-	-
A. Chalmers (Appointed 1 March 2000)	-	-
J. Heritage (Appointed 1 March 2000)	-	-
P. A. Kew (Appointed 1 March 2000)	-	-
J. B. Nuttall (Appointed 1 March 2000)	-	-
	<hr/> - <hr/>	<hr/> 4,000 <hr/>

K G ORME LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2000

Statement of Directors' Responsibilities

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 at the end of the year, and of the income and expenditure of the company for that year. 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, subject to any material departures disclosed and explained in the financial statements ;
- 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

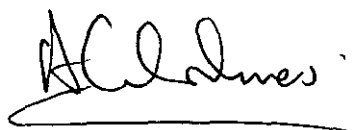
They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Auditors

KPMG were appointed as auditors during the year. In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company, is to be proposed at the forthcoming Annual General Meeting.

By order of the Board

A Chalmers
Director



Date

24/4/01

AUDITORS' REPORT
TO THE MEMBERS OF K G ORME LIMITED

We have audited the financial statements on pages 4 to 9.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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. We also report to you 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 is not disclosed.

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 affairs of the company as at 30 June 2000 and of the profit for the year then ended and comply with the Companies Act 1985.

K G O R M E

Chartered Accountants
Registered Auditors
Manchester

Date

24 April 2001

K G ORME LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2000

	<u>Notes</u>	<u>30 June</u> <u>2000</u> £	<u>30 June</u> <u>1999</u> £
TURNOVER		206,294	305,672
Cost of Sales		(155,684)	(229,588)
GROSS PROFIT		50,610	76,084
Administrative Expenses		(46,663)	(68,926)
OPERATING PROFIT	2	3,947	7,158
Profit on the disposal of fixed assets		1,660	867
Interest receivable		5	18
Interest payable		(1,233)	(1,212)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		4,379	6,831
Tax on profit on ordinary activities	3	(838)	(1,439)
Profit for the year		3,541	5,392
Dividends		(1,225)	(1,820)
RETAINED PROFIT		2,316	3,572

All amounts relate to discontinued activities.

The company had no recognised gains and losses other than the profit for the period.

The historical cost surplus on ordinary activities before taxation is the same as that shown in the Revenue Account.

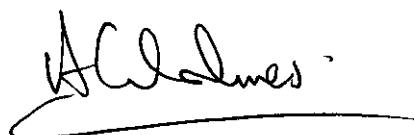
K G ORME LIMITED
BALANCE SHEET
AS AT 30 JUNE 2000

	<u>Notes</u>	<u>30 June</u> <u>2000</u> £	<u>30 June</u> <u>1999</u> £
FIXED ASSETS			
Tangible Assets	4	-	15,247
CURRENT ASSETS			
Stock		-	40,813
Debtors	5	49,066	44,086
Cash at bank and in hand		-	4,413
		49,066	89,312
CREDITORS:			
Due Within One Year	6	-	(55,366)
NET CURRENT ASSETS		49,066	33,946
TOTAL ASSETS LESS CURRENT LIABILITIES		49,066	49,193
CREDITORS:			
Due After More Than One Year	7	-	(2,443)
		49,066	46,750
CAPITAL AND RESERVES			
Called up share capital	8	4,000	4,000
Profit and Loss Account		45,066	42,750
EQUITY SHAREHOLDERS' FUNDS	9	49,066	46,750

The notes on pages 6 to 9 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors and signed on its behalf by:-

A Chalmers
Director



Date

24/4/01

K G ORME LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

1. ACCOUNTING POLICIES

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

(a) Basis of Preparation

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

(b) Depreciation

Depreciation is calculated to write down the cost, less estimated residual value, of all tangible fixed assets, other than freehold land, over their expected useful lives. The rates generally applicable are :

Plant and machinery	20% straight line
Fixtures and fittings	10% straight line
Motor vehicles	25% straight line

(c) Stocks

Stocks are valued at the lower of cost and net realisable value.

(d) Taxation

Current taxation is provided at the current rate of corporation tax on the profit for the year. Deferred taxation is provided using the liability method at current rates of taxation on all timing differences to the extent that it is probable that the actual liability will crystallise.

(e) Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the period.

2. OPERATING PROFIT

	<u>30 June</u> <u>2000</u> <u>£</u>	<u>30 June</u> <u>1999</u> <u>£</u>
Operating profit is stated after charging :-		
Depreciation of own fixed assets	-	642
Depreciation of assets held under finance leases and hire purchase contracts	-	4,135
Directors Remuneration	-	25,015
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K G ORME LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

3. TAXATION

	<u>30 June</u> <u>2000</u> £	<u>30 June</u> <u>1999</u> £
Corporation tax at 21%	-	1,439

4. TANGIBLE FIXED ASSETS

	Land and Buildings	Plant and Machinery	Motor Vehicles	Total
COST				
At 1 July 1999	7,131	21,991	23,672	52,794
Additions	-	297	-	297
Disposals	(7,131)	(22,288)	(23,672)	(53,091)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2000	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION				
At 1 July 1999	6,859	19,424	11,264	37,547
Charge for period	-	382	2,068	2,450
On disposals	(6,859)	(19,806)	(13,332)	(39,997)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2000	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE				
At 30 June 2000	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 1999	272	2,567	12,408	15,247
	<hr/>	<hr/>	<hr/>	<hr/>

5. DEBTORS

	<u>30 June</u> <u>2000</u> £	<u>30 June</u> <u>1999</u> £
Trade Debtors	-	41,304
Amounts due from group undertaking	49,066	2,782
	<hr/>	<hr/>
	49,066	44,086
	<hr/>	<hr/>

K G ORME LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

6. CREDITORS

	<u>30 June</u> <u>2000</u> £	<u>30 June</u> <u>1999</u> £
Amounts falling due within one year :-		
Bank Loans and Overdrafts	-	1,810
Hire Purchase	-	3,273
Trade Creditors	-	44,635
Corporation Tax	-	984
Other Creditors	-	4,664
	<u>-</u>	<u>55,366</u>

7. CREDITORS

	<u>30 June</u> <u>2000</u> £	<u>30 June</u> <u>1999</u> £
Amounts falling due after more than one year :-		
Bank Loans and Overdrafts	-	656
Hire Purchase	-	1,787
	<u>-</u>	<u>2,443</u>

8. CALLED UP SHARE CAPITAL

	<u>30 June</u> <u>2000</u> <u>No.</u>	<u>30 June</u> <u>1999</u> <u>No.</u>
Authorised		
Ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>
	£	£
Allotted, called up and fully paid		
Ordinary shares of £1 each	<u>4,000</u>	<u>4,000</u>

9. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>30 June</u> <u>2000</u> £	<u>30 June</u> <u>1999</u> £
Opening shareholders' funds	46,750	43,178
Profit for the period	2,316	3,572
	<u>49,066</u>	<u>46,750</u>

K G ORME LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

10. RELATED PARTY TRANSACTIONS

The company is exempted under the Financial Reporting Standard No.8 (FRS 8) from the requirement to disclose related party transactions with other group entities on the basis that it is wholly owned subsidiary of the ultimate parent company, United Norwest Co-operatives Limited.

11. ULTIMATE HOLDING COMPANY

The company is a wholly owned subsidiary of Co-op Health Care Limited. The ultimate holding society is United Norwest Co-operatives Limited, an Industrial and Provident Society registered in England and Wales. Copies of Group Accounts are available from; United Norwest Co-operatives Limited, Wood House, Etruria Road, Hanley, Stoke-on-Trent.