

Company Registration No. 1065623

E G Collins (New Ferry) Limited

Annual report and Financial Statements

31 January 2005



E G Collins (New Ferry) Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2005

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E G Collins (New Ferry) Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2005

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

K J Black
D R Cole
I C Cowan
K R Hudson
J J Penn
P J Smith

SECRETARY

D A Gault

REGISTERED OFFICE

Rivington Road
Whitehouse Industrial Estate
Runcorn
Cheshire
WA7 3DJ

AUDITORS

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Birmingham

E G Collins (New Ferry) Limited

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 January 2005.

PRINCIPAL ACTIVITIES

The principal activity of the company is the operation of retail pharmacies.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The profit and loss account for the year is presented on page 6. The directors are satisfied with the results for the year. The directors expect the level of activity to continue at similar levels going forward.

RESULTS AND DIVIDENDS

The results and dividends are as follows:

	Year ended 31 January 2005 £'000	Year ended 31 January 2004 £'000
Profit on ordinary activities after taxation	113	102
Dividends paid and proposed	-	-
Retained profit for the year	<u>113</u>	<u>102</u>

DIRECTORS

The directors who served during the year, and subsequently, were as follows:

K J Black
D R Cole
I C Cowan
K R Hudson
J J Penn
P J Smith

DIRECTORS' INTERESTS

None of the directors who held office at 31 January 2005 or at 31 January 2004 had any interests requiring disclosure under Schedule 7 of the Companies Act 1985.

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

DIRECTORS' REPORT (continued)

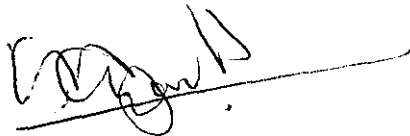
EMPLOYEE CONSULTATION

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through formal and informal meetings and the company magazine. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

AUDITORS

The company has elected to dispense with the obligation to appoint auditors annually and, accordingly, Deloitte & Touche LLP shall be deemed to be re-appointed as auditors for a further term under the provisions of section 386(2) of the Companies Act 1985.

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

A handwritten signature in black ink, appearing to read 'D A Goult', is written over a horizontal line.

D A Goult

Secretary

17 November 2005

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 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;
- 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 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 G COLLINS (NEW FERRY) LIMITED

We have audited the financial statements of E G Collins (New Ferry) Limited for the year ended 31 January 2005, which comprise the profit and loss account, the balance sheet and the related notes numbered 1 to 21. 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 auditors' 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 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 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 at 31 January 2005 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Birmingham

17 November 2005

E G Collins (New Ferry) Limited

PROFIT AND LOSS ACCOUNT
Year ended 31 January 2005

	Note	Year ended 31 January 2005 £'000	Year ended 31 January 2004 £'000
TURNOVER	2	1,453	1,453
Cost of sales		(1,087)	(1,072)
Gross profit		366	381
Other operating expenses (net)	3	(212)	(220)
OPERATING PROFIT		154	161
Finance charges (net)	4	(3)	(2)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	151	159
Tax on profit on ordinary activities	8	(38)	(57)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	17	113	102

The accompanying notes are an integral part of this profit and loss account.

There were no recognised gains and losses other than the profit for the years. Consequently, a statement of total recognised gains and losses has not been presented.

All activities are derived from continuing operations.

E G Collins (New Ferry) Limited

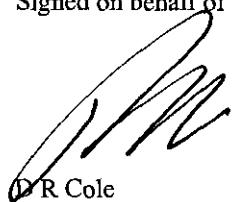
BALANCE SHEET
31 January 2005

	Note	31 January 2005 £'000	31 January 2004 £'000
FIXED ASSETS			
Tangible assets	9	11	14
CURRENT ASSETS			
Stocks	10	86	149
Debts subject to financing arrangements:			
Securitised debts	11	-	80
Less: non returnable proceeds	11	-	(71)
		-	9
Debtors	12	972	81
Cash at bank and in hand		2	371
		1,060	610
CREDITORS: amounts falling due within one year	13	(511)	(177)
NET CURRENT ASSETS		548	433
TOTAL ASSETS LESS CURRENT LIABILITIES		560	447
PROVISIONS FOR LIABILITIES AND CHARGES	14	(1)	(1)
NET ASSETS		559	446
CAPITAL AND RESERVES			
Called up share capital	15	-	-
Share premium account	16	5	5
Profit and loss account	16	554	441
SHAREHOLDERS' FUNDS, ALL EQUITY	17	559	446

The accompanying notes are an integral part of this balance sheet.

These financial statements were approved by the Board of Directors on 17 November 2005.

Signed on behalf of the Board of Directors



D R Cole

Director

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

No cashflow statement is presented under the provisions of Financial Reporting Standard 1 (Revised) – 'Cash flow statements' as consolidated financial statements in which the results of the company are included are publicly available.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Fixtures and fittings 10% to 33% per annum

Residual value is calculated on prices prevailing at the date of acquisition.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all expenditure incurred in the normal course of business in bringing the product or service 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.

Debts subject to financing arrangements

Debtors subject to financing arrangements are disclosed on the balance sheet using the linked presentation method, in accordance with Financial Reporting Standard 5 – 'Reporting the substance of transaction'.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

The company is part of a UK group and accordingly may utilise the group relief provisions whereby current taxable profits can be offset by current tax losses arising in other group companies in the UK. The group has a policy that payment is made or received for tax losses received from, or surrendered to, other group companies.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. ACCOUNTING POLICIES (CONTINUED)

Pension costs and other post-retirement benefits

For defined benefit schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The regular cost is calculated so that it represents a substantially level percentage of current and future payroll. Variations from regular cost are charged or credited to the profit and loss account as a constant percentage of payroll over the estimated average remaining working lives of scheme members. Defined benefit schemes are funded, with the assets of the scheme held separately from those of the company in separate trustee administered funds. Differences between amounts charged to the profit and loss account and amounts funded are shown as either provisions or prepayments in the balance sheet.

Turnover

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

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. OTHER OPERATING EXPENSES (NET)

	Year ended 31 January 2005 £'000	Year ended 31 January 2004 £'000
Distribution costs	190	191
Administrative expenses	39	37
Other operating income	(17)	(8)
	<u>212</u>	<u>220</u>

4. FINANCE CHARGES (NET)

	Year ended 31 January 2005 £'000	Year ended 31 January 2004 £'000
Interest payable and similar charges		
Interest payable to group undertakings	<u>3</u>	<u>2</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

	Year ended 31 January 2005 £'000	Year ended 31 January 2004 £'000
Depreciation and amounts written off tangible fixed assets	4	3
Auditors' remuneration for non-audit services	-	2
	<u> </u>	<u> </u>

The audit fee for the current year has been borne by a fellow group company.

6. STAFF COSTS

The average monthly number of employees was:

	Year ended 31 January 2005 Number	Year ended 31 January 2004 Number
Sales	12	13
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	Year ended 31 January 2005 £'000	Year ended 31 January 2004 £'000
Wages and salaries	99	105
Social security costs	7	7
Pension	2	1
	<u> </u>	<u> </u>
	108	113
	<u> </u>	<u> </u>

7. DIRECTORS' REMUNERATION AND TRANSACTIONS

The directors who served during the year are also directors of other group companies, and are remunerated by those companies. Although they do receive remuneration from other group companies in respect of services to various group companies including the company, it is not practicable to allocate their remuneration to individual companies in the group. Therefore all remuneration has been disclosed in the financial statements of Phoenix Medical Supplies Limited.

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge comprises:

	Year ended 31 January 2005 £'000	Year ended 31 January 2004 £'000
Current tax		
UK Corporation tax	40	49
Adjustments in respect of prior years - UK corporation tax	(2)	8
Total current tax	<u>38</u>	<u>57</u>
Deferred tax		
Origination and reversal of timing differences	-	-
Total deferred tax	<u>-</u>	<u>-</u>
Total tax on profit on ordinary activities	<u>38</u>	<u>57</u>

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	Year ended 31 January 2005 £'000	Year ended 31 January 2004 £'000
Profit on ordinary activities before tax	<u>151</u>	<u>159</u>
Tax on profit on ordinary activities at standard UK corporation tax rate of 30% (2004 – 30%)	45	48
Effects of:		
Expenses not deductible for tax purposes	(5)	1
Adjustments in respect of prior years	(2)	8
Current tax charge for the year	<u>38</u>	<u>57</u>

It is expected that the company will continue to pay corporation tax at the standard rate going forward.

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. TANGIBLE FIXED ASSETS

	Fixtures and fittings £'000
Cost	
At 1 February 2004	54
Additions	1
	<hr/>
At 31 January 2005	55
	<hr/>
Depreciation	
At 1 February 2004	40
Charge for the year	4
	<hr/>
At 31 January 2005	44
	<hr/>
Net book value	
At 31 January 2005	11
	<hr/>
At 31 January 2004	14
	<hr/>

10. STOCKS

	2005 £'000	2004 £'000
Finished goods and goods for resale	86	149
	<hr/>	<hr/>

In the opinion of the directors, there is no material difference between the balance sheet value of stocks and their replacement cost.

11. DEBTS SUBJECT TO FINANCING ARRANGEMENTS

During the prior year, the company, along with L Rowland and Company (Retail) Limited and Phoenix Healthcare Distribution Limited, entered into a five year agreement to sell trade debtors to an independent company (Scripts Limited). Under the terms of the agreement, Scripts Limited has no subsequent recourse to EG Collins Limited. The company is not obliged to support any losses, nor does it intend to do so. The funds received in respect of the sale and costs charged thereon are secured on the related trade debtors.

The company has sold trade debtors of £Nil (2004 - £80,000) and, to date, £Nil (2004 - £71,000) has been received in respect of this sale. The interest payable in respect of this agreement has been borne by the intermediate parent company, Phoenix Medical Supplies Limited.

12. DEBTORS

	2005 £'000	2004 £'000
Amounts falling due within one year:		
Trade debtors	239	48
Amounts owed by group undertakings	693	-
Other debtors	37	32
Prepayments and accrued income	3	1
	<hr/>	<hr/>
	972	81
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005	2004
	£'000	£'000
Bank loans and overdrafts	354	-
Amounts owed to related parties	8	8
Amounts owed to group undertakings	118	140
UK Corporation tax	25	29
Accruals and deferred income	6	-
	<u>511</u>	<u>177</u>

14. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation	£'000
At 1 February 2004 and at 31 January 2005	<u>1</u>

Deferred taxation has been provided in full as follows:

	2005	2004
	£'000	£'000
Accelerated capital allowances	<u>1</u>	<u>1</u>

15. CALLED UP SHARE CAPITAL

	2005	2004
	£	£
<i>Authorised</i>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
<i>Allotted, called up and fully paid</i>		
50 ordinary shares of £1 each	<u>50</u>	<u>50</u>

16. RESERVES

	Share premium account	Profit and loss account	Total
	£'000	£'000	£'000
At 1 February 2004	5	441	446
Retained profit for the year	-	113	113
At 31 January 2005	<u>5</u>	<u>554</u>	<u>559</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2005	2004
	£'000	£'000
Profit for the year after taxation	113	102
Net increase in shareholders' funds	113	102
Opening shareholders' funds	446	344
Closing shareholders' funds	559	446

18. PENSION ARRANGEMENTS

Details of the company pension scheme are shown in the financial statements of the immediate parent company, L Rowland & Company (Retail) Limited, which are publicly available from Companies House.

19. FINANCIAL COMMITMENTS

There were no outstanding financial commitments at either year end.

20. CONTINGENT LIABILITIES

There were no contingent liabilities at either year end.

21. ULTIMATE PARENT COMPANY, CONTROLLING PARTY AND RELATED PARTY TRANSACTIONS

The company is ultimately owned and controlled by Phoenix Pharmahandel Aktiengesellschaft & Co KG incorporated in Germany, the principal place of business of which is Pfingstweidstrasse 10 – 12 Mannheim, Germany. That company prepares consolidated financial statements which are available to the public from the aforementioned address. The immediate parent company is L Rowland & Company (Retail) Limited.

In the normal course of business, the company purchased goods for resale from Numark Trading Limited, a company jointly owned by Phoenix Medical Supplies Limited and Numark plc. The balance with Numark Trading Limited is included in note 13.

Transactions with Numark Trading Limited were as follows:

	Year ended	Year ended
	31 January	31 January
	2005	2004
	£'000	£'000
Net purchases of goods for resale	82	86

All other related party transactions with group members are not disclosed as 100% of the voting rights are controlled within the group and consolidated financial statements are publicly available.