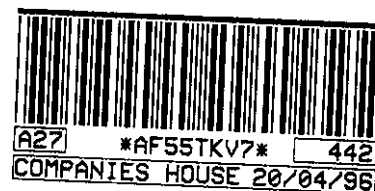


Alchem (Southern) Limited

Directors' report and financial statements

30 June 1995

Registered number 1418996



Alchem (Southern) Limited

Directors' report and financial statements

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Alchem (Southern) Limited

Directors' report

The directors present their report and the audited financial statements for the year ended 30 June 1995.

Principal activity

The company did not trade during the year.

Directors

The directors who served during the year were as follows:

AJ Lloyd
PE Lloyd (resigned 13 June 1995)
MA Ward (appointed 18 July 1994)
SW Buckell

In addition, JC Fellows was appointed as a director on 3 July 1995.

None of the directors had any interest in the share capital of the company during the year.

Messrs AJ Lloyd and MA Ward were directors of Lloyds Chemists plc, the ultimate holding company at the year end and their interests are disclosed in the financial statements of that company.

The interests of SW Buckell in Lloyds Chemists plc are:

	Preference shares of 5p each		Ordinary shares of 5p each		Executive Share Option Scheme Ordinary shares of 5p each		SAYE Share Option Scheme Ordinary shares of 5p each	
	1995	1994	1995	1994	1995	1994	1995	1994
SW Buckell	608	608	5,621	3,621	119,800	109,800	7,560	7,560

On 11 November 1994 SW Buckell was granted Executive Share Options in respect of 10,000 ordinary shares.

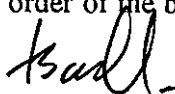
Alchem (Southern) Limited

Directors' report *(continued)*

Auditors

On 6 February 1995 our auditors changed the name under which they practise to KPMG and, accordingly, have signed their report in their new name. In accordance with Section 250 of the Companies Act 1985, a special resolution is to be proposed at the forthcoming annual general meeting not to appoint auditors in future years on the basis that the company is dormant within the meaning of that section.

By order of the board


JM Sadler
Secretary

Britannia House
Centurion Park
Tamworth
Staffordshire
B77 5TZ

10 October 1995

Alchem (Southern) Limited

Statement of directors' responsibilities

The following statement, which should be read in conjunction with the report of the auditors set out on page 4, describes the responsibilities of the directors in relation to these financial statements.

The directors are required by the Companies Act 1985 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 year and of the profit or loss for the year.

The directors consider that in preparing the financial statements set out on pages 5 and 6, the Company has used appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates. All applicable accounting standards have been followed and the financial statements have been prepared on a going concern basis.

The directors are responsible for ensuring that the Company maintains adequate accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors have 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.



2 Cornwall Street
Birmingham B3 2DL

Auditors' report to the members of Alchem (Southern) Limited

We have audited the financial statements on pages 5 and 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of 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 mis-statement, 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 30 June 1995 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG
Chartered Accountants
Registered Auditors

10 October 1995

Alchem (Southern) Limited

Profit and loss account

for the year ended 30 June 1995


During the financial year and the preceding financial year the company did not trade and received no income and incurred no expenditure. Consequently, during those years the company made neither a profit nor a loss.

Balance sheet

at 30 June 1995

	<i>Note</i>	1995 £	1994 £
Current assets			
Debtors	2	91,738	91,738
Capital and reserves			
Called up share capital	3	10,000	10,000
Profit and loss account	4	81,738	81,738
Total equity shareholders' funds		91,738	91,738

These financial statements were approved by the board of directors on 10 October 1995 and were signed on its behalf by:



JC Fellows
Director

Alchem (Southern) Limited

Notes

(forming part of the financial statements)

1 Accounting policies

These financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

2 Debtors

	1995 £	1994 £
Amounts owed by parent and fellow subsidiary undertakings	<u>91,738</u>	<u>91,738</u>

3 Called up share capital

	1995 £	1994 £
<i>Authorised:</i>		
Ordinary shares of £1 each	<u>80,000</u>	<u>80,000</u>
<i>Allotted, called up and fully paid:</i>		
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

4 Reserves

	Profit and loss account £
At 1 July 1994 and 30 June 1995	<u>81,738</u>

5 Contingent liabilities

The company guarantees the borrowings of other group undertakings which, at 30 June 1995, amounted to £Nil (1994: £Nil).

6 Ultimate holding company

The ultimate holding company is Lloyds Chemists plc, which is registered in England and Wales.

The results of the company are included within the group financial statements of Lloyds Chemists plc but are not included within any other group financial statements.

Copies of the group financial statements may be obtained from Britannia House, Centurion Park, Tamworth, Staffordshire, B77 5TZ.