

Registration number 02049538

HOLLYCROFT CHEMISTS LIMITED

Directors' report and financial statements

for the period ended 31 October 2001



HOLLYCROFT CHEMISTS LIMITED

Company information

Directors	S S Mohammedali B G Patel M Broachwalla
Secretary	T Mohammedali
Company number	02049538
Registered office	Abbotsbury House 156 Upper New Walk Leicester LE1 7QA
Business address	1 Clifton Way Hollycroft Hinckley Leicester LE10 0XN
Auditors	Moore Stephens Abbotsbury House 156 Upper New Walk Leicester LE1 7QA
Bankers	Barclays Bank Plc P O Box 1500 Dominus Way, Meridian Business Park Leicester LE3 2RP

HOLLYCROFT CHEMISTS LIMITED

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HOLLYCROFT CHEMISTS LIMITED

Directors' report for the period ended 31 October 2001

The directors present their report and the financial statements for the period ended 31 October 2001.

Principal activity and review of the business

The principal activity of the company continued to be that of the operation of retail pharmacy outlets.

On 15 December 2000, Alfa Chemists Limited, a company incorporated in England acquired the entire share capital of company.

The results on page 5 are for a period of trading from 1 September 2000 to 31 October 2001.

Results and dividends

The results for the period are set out on page 5.

The directors do not recommend payment of a final dividend.

Directors and their interests

The directors who served during the period and their interests in the company are as stated below:

	Ordinary shares	
	31/10/01	31/08/00
S S Mohammedali	-	-
B G Patel	-	-
M Broachwalla	-	-
P M Ruparelia (resigned 15 December 2000)	-	250
M R Ruparelia (resigned 15 December 2000)	-	280
S M Ruparelia (resigned 15 December 2000)	-	250

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing these the directors are required to:

- select suitable accounting policies and 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 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.

HOLLYCROFT CHEMISTS LIMITED

Directors' report for the period ended 31 October 2001

Auditors

Clear & Lane resigned as auditors on 15 December 2000 and Moore Stephens were appointed to fill a casual vacancy in accordance with section 388 (1) of the Companies Act 1985. A resolution proposing reappointment of Moore Stephens will be put to the Annual General Meeting.

This report was approved by the Board and signed on its behalf by

**T Mohammedali
Secretary**

A handwritten signature in black ink, appearing to read 'T Mohammedali', with a stylized flourish at the end.

29 July 2002

HOLLYCROFT CHEMISTS LIMITED

Independent auditors' report to the shareholders of HOLLYCROFT CHEMISTS LIMITED

We have audited the financial statements of HOLLYCROFT CHEMISTS LIMITED for the period ended 31 October 2001 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

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 law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom 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 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.

We read the directors report and consider the implications for our report if we become aware of any apparent misstatements within it.

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.

HOLLYCROFT CHEMISTS LIMITED

Independent auditors' report to the shareholders of HOLLYCROFT CHEMISTS LIMITED continued

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 October 2001 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Moore Stephens
Chartered Accountants and
Registered Auditors

Abbotsbury House
156 Upper New Walk
Leicester
LE1 7QA

1 August 2002

HOLLYCROFT CHEMISTS LIMITED

Profit and loss account for the period ended 31 October 2001

		Continuing operations	
		2001	2000
	Notes	£	£
Turnover	2	1,254,208	1,135,686
Cost of sales		(968,205)	(894,225)
Gross profit		<u>286,003</u>	<u>241,461</u>
Administrative expenses		(281,158)	(238,022)
Operating profit	3	<u>4,845</u>	<u>3,439</u>
Investment income	4	-	125,993
Other interest receivable and similar income	5	3,164	6,856
Interest payable and similar charges	6	(2,691)	-
Profit on ordinary activities before taxation		<u>5,318</u>	<u>136,288</u>
Tax on profit on ordinary activities	8	(394)	(31,642)
Profit on ordinary activities after taxation		<u>4,924</u>	<u>104,646</u>
Dividends	9	-	(140,080)
Retained profit/(loss) for the period		<u>4,924</u>	<u>(35,434)</u>
Retained profit brought forward		<u>176,620</u>	<u>212,054</u>
Retained profit carried forward		<u><u>181,544</u></u>	<u><u>176,620</u></u>

There are no recognised gains or losses other than the profit or loss for the above two financial periods.

The notes on pages 7 to 14 form an integral part of these financial statements.

HOLLYCROFT CHEMISTS LIMITED

Balance sheet as at 31 October 2001

	Notes	2001		2000	
		£	£	£	£
Fixed assets					
Tangible assets	10		63,005		4,956
Current assets					
Stocks	11	72,010		62,186	
Debtors	12	246,165		105,828	
Cash at bank and in hand		9,240		176,038	
		<u>327,415</u>		<u>344,052</u>	
Creditors: amounts falling due within one year	13	<u>(185,597)</u>		<u>(170,608)</u>	
Net current assets			141,818		173,444
Total assets less current liabilities			204,823		178,400
Creditors: amounts falling due after more than one year	14		(19,272)		-
Provisions for liabilities and charges	15		<u>(2,977)</u>		<u>(750)</u>
Net assets			<u>182,574</u>		<u>177,650</u>
Capital and reserves					
Called up share capital	17		1,030		1,030
Profit and loss account			181,544		176,620
Equity shareholders' funds	18		<u>182,574</u>		<u>177,650</u>

The financial statements were approved by the Board and signed on its behalf by

S S Mohammedali
Director



27 July 2002

The notes on pages 7 to 14 form an integral part of these financial statements.

HOLLYCROFT CHEMISTS LIMITED

Notes to the financial statements for the period ended 31 October 2001

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention .

The company has consistently applied all relevant accounting standards.

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	- 25% straight line
Motor vehicles	- 25% straight line

1.4. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5. Stock

Stock is valued at the lower of cost and net realisable value.

1.6. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

2. Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the UK.

HOLLYCROFT CHEMISTS LIMITED

Notes to the financial statements for the period ended 31 October 2001

..... continued

3. Operating profit	2001	2000
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	6,353	875
Operating lease rentals		
- Plant and machinery	4,257	-
- Land and buildings	15,093	8,850
Auditors' remuneration	4,000	3,917
	<u> </u>	<u> </u>
4. Income from investments	2001	2000
	£	£
Profit on disposal of investments	-	125,993
	<u> </u>	<u> </u>
5. Interest receivable and similar income	2001	2000
	£	£
Bank interest	3,164	6,856
	<u> </u>	<u> </u>
6. Interest payable and similar charges	2001	2000
	£	£
On bank loans and overdrafts	202	-
Hire purchase interest	2,489	-
	<u> </u>	<u> </u>
	2,691	-
	<u> </u>	<u> </u>

HOLLYCROFT CHEMISTS LIMITED

Notes to the financial statements for the period ended 31 October 2001

..... continued

7. Employees

Number of employees

The average monthly numbers of employees
(including the directors) during the period were:

2001	2000
7	11

Employment costs

Wages and salaries
Social security costs

2001 £	2000 £
82,704	105,801
3,844	3,821
86,548	109,622

7.1. Directors' emoluments

Remuneration and other emoluments

2001 £	2000 £
-	29,425

8. Taxation

UK current year taxation

UK corporation tax
Transfer to deferred taxation

2001 £	2000 £
(1,833)	31,642
2,227	-
394	31,642

9. Dividends

Dividends on equity shares:

Ordinary shares - interim paid

2001 £	2000 £
-	140,080

HOLLYCROFT CHEMISTS LIMITED

Notes to the financial statements for the period ended 31 October 2001

..... continued

10. Tangible fixed assets	Long leasehold property £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost				
At 31 August 2000	5,000	34,520	-	39,520
Additions	-	32,319	32,083	64,402
At 31 October 2001	5,000	66,839	32,083	103,922
Depreciation				
At 31 August 2000	5,000	29,564	-	34,564
Charge for the period	-	1,673	4,680	6,353
At 31 October 2001	5,000	31,237	4,680	40,917
Net book values				
At 31 October 2001	-	35,602	27,403	63,005
At 31 August 2000	-	4,956	-	4,956

Included above are assets held under finance leases or hire purchase contracts as follows:

Asset description	2001		2000	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Motor vehicles	27,403	4,956	-	-
11. Stocks			2001 £	2000 £
Goods for resale			72,010	62,186

HOLLYCROFT CHEMISTS LIMITED

Notes to the financial statements for the period ended 31 October 2001

..... continued

12. Debtors	2001 £	2000 £
Trade debtors	97,622	77,375
Amounts owed by group undertakings	123,761	-
Other debtors	23,089	26,047
Prepayments and accrued income	1,693	2,406
	<u>246,165</u>	<u>105,828</u>
13. Creditors: amounts falling due within one year	2001 £	2000 £
Bank overdraft	4,923	-
Net obligations under finance leases and hire purchase contracts	4,697	-
Trade creditors	168,705	82,481
Corporation tax	-	31,893
Directors' accounts	-	50,645
Other creditors	2,432	-
Accruals and deferred income	4,840	5,589
	<u>185,597</u>	<u>170,608</u>
Secured creditors included above amount to	<u>9,620</u>	<u>-</u>

HOLLYCROFT CHEMISTS LIMITED

Notes to the financial statements for the period ended 31 October 2001

..... continued

14. Creditors: amounts falling due after more than one year	2001 £	2000 £
Net obligations under finance leases and hire purchase contracts	19,272	-
Secured creditors included above amounted to	19,272	-
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	7,034	-
Repayable between one and five years	19,526	-
	26,560	-
Finance charges and interest allocated to future accounting periods	(2,591)	-
	23,969	-

15 Provisions for liabilities and charges

	Deferred taxation (Note 16) £	Total £
At 31 August 2000	750	750
Movements in the year	2,227	2,227
At 31 October 2001	2,977	2,977

HOLLYCROFT CHEMISTS LIMITED

Notes to the financial statements for the period ended 31 October 2001

..... continued

16. Deferred taxation

Deferred tax is analysed over the following timing differences:

	Not provided		Provided	
	2001	2000	2001	2000
	£	£	£	£
Accelerated capital allowances	-	-	2,977	750

Movements on the provision for deferred taxation are:

	2001	2000
	£	£
At 31 August 2000	750	750
Transferred from profit and loss account	2,227	-
At 31 October 2001	2,977	750

17. Share capital

Authorised equity

10,000 Ordinary shares of £1 each

2001	2000
£	£
10,000	10,000

Allotted, called up and fully paid equity

1,030 Ordinary shares of £1 each

2001	2000
£	£
1,030	1,030

18. Reconciliation of movements in shareholders' funds

Profit for the period
Dividends

2001	2000
£	£
4,924	104,646
-	(140,080)
4,924	(35,434)

Opening shareholders' funds

Closing shareholders' funds

2001	2000
£	£
177,650	213,084
182,574	177,650

HOLLYCROFT CHEMISTS LIMITED

Notes to the financial statements for the period ended 31 October 2001

..... continued

19. Financial commitments

At 31 October 2001 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2001	2000	2001	2000
	£	£	£	£
Expiry date:				
Between one and five years	-	-	12,408	-
In over five years	19,250	-	-	-
	<u>19,250</u>	<u>-</u>	<u>12,408</u>	<u>-</u>

20. Related party transactions

During the period, the company paid a service charge of £4,851 to Franklands for carrying out the period end stocktake and the use of their premises and staff. The proprietor of Franklands is an employee of Hollycroft Chemists Limited. There was no indebtedness at 31 October 2001.

21. Ultimate parent undertaking

The directors consider that the ultimate parent undertaking of this company is Alfa Chemists Limited, which is incorporated in England.

HOLLYCROFT CHEMISTS LIMITED

Detailed trading and profit and loss account for the period ended 31 October 2001

	2001		2000	
	£	£	£	£
Sales		1,254,208		1,135,686
Cost of sales				
Opening stock	62,186		68,117	
Purchases	978,029		888,294	
	<u>1,040,215</u>		<u>956,411</u>	
Closing stock	(72,010)		(62,186)	
		<u>(968,205)</u>		<u>(894,225)</u>
Gross profit	23%	286,003	21%	241,461
Administrative expenses	281,158		238,022	
		<u>(281,158)</u>		<u>(238,022)</u>
Operating profit	0%	4,845	0%	3,439
Other income and expenses				
Income from investments				
Profit on disposal of investments	-		125,993	
		-		<u>125,993</u>
Interest receivable				
Bank deposit interest	3,164		6,856	
		3,164		<u>6,856</u>
Interest payable				
Bank interest	202		-	
Hire purchase interest	2,489		-	
		<u>(2,691)</u>		<u>-</u>
Net profit for the period		<u>5,318</u>		<u>136,288</u>

HOLLYCROFT CHEMISTS LIMITED

Administrative expenses for the period ended 31 October 2001

	2001	2000
	£	£
Administrative expenses		
Wages and salaries	82,704	76,376
Directors' remuneration	-	29,425
Employer's NI contributions	3,844	3,821
Locum fees	85,214	92,097
Management fees	34,500	-
Rent	15,093	8,850
Rates	3,476	4,221
Insurance	4,302	2,859
Light and heat	2,957	1,700
Cleaning and waste disposal	833	-
Repairs and maintenance	2,321	1,329
Postage and stationery	1,894	972
Advertising	1,617	-
Telephone	1,843	1,978
Motor vehicle leasing	4,257	-
Motor expenses	3,274	3,065
Professional practising costs	5,585	56
Legal fees	977	-
Accountancy	7,128	-
Audit	4,000	3,917
Bank charges	3,052	1,723
General expenses	2,337	2,626
Subscriptions	3,597	2,132
Depreciation on Fixtures, fittings and equipment	1,673	875
Depreciation on motor vehicles	4,680	-
	<u>281,158</u>	<u>238,022</u>