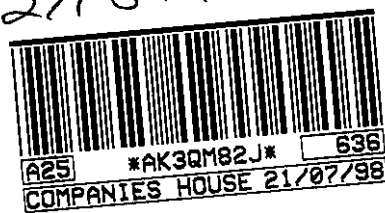


A K CHEMISTS LIMITED

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 1997

2718719



A K CHEMISTS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS:

MR. S.K. VARMA
MRS. S.C. VARMA
MISS S. VARMA

SECRETARY:

MRS. S.C. VARMA

REGISTERED OFFICE:

149 Leigh Road
Leigh-on-Sea
Essex
SS9 1JF

BANKERS:

Barclays Bank Plc.
174 High Street
Southend-on-Sea
Essex

REPORTING ACCOUNTANTS

Mandair Pearl
Registered Auditors
Aton House
149 Leigh Road
Leigh-on-Sea
Essex
SS9 1JF

A K CHEMISTS LIMITEDREPORT OF THE DIRECTORS

The directors submit their report and financial statements for the year ended 30th November 1997.

Principal activity

The principal activity of the company is that of pharmaceutical shops.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the Register of Directors' Interests were as follows:-

	Ordinary Shares of £1 each	
	<u>30.11.97</u>	<u>30.11.96</u>
Mr. S.K. Varma	1	1
Mrs. S.C. Varma	1	1

Reporting accountants

The directors consider that for the year ended 30th November 1997 the company was entitled to exemption from a statutory audit under section 249A of the Companies Act 1985. Under the provisions of the Act, the directors have appointed Mandair Pearl as Reporting Accountants. Their report is shown on page 3 of the Financial Statements.

Small company exemptions

Advantage has been taken in the preparation of this report of special exemptions applicable to small companies.

On behalf of the Board

S. Varma

S.C. Varma
Secretary

149 Leigh Road
Leigh-on-Sea
Essex
SS9 1JF

9th June 1998

ACCOUNTANTS' REPORT

Accountants' Report to the Members on the
unaudited financial statements of
A K CHEMISTS LIMITED

We report on the financial statements for the year ended 30th November 1997 set out on pages 4 - 10.

Respective responsibilities of directors and reporting accountants

As described on page 6 the company's directors are responsible for the preparation of the financial statements, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the financial statements with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- (a) the financial statements are in agreement with the accounting records kept by the company under Section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the financial statements for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).

Leigh-on-Sea
9th June 1998

Mandair Pearl
Mandair Pearl
Reporting Accountants

A K CHEMISTS LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 30th NOVEMBER 1997

	<u>Note</u>	<u>1997</u> £	<u>1996</u> £
Turnover		251,741	235,095
Cost of Sales		180,840	169,975
		<hr/>	<hr/>
Gross profit		70,901	65,120
Administrative expenses		59,763	57,100
		<hr/>	<hr/>
		11,138	8,020
Rent receivable		3,640	3,640
		<hr/>	<hr/>
Profit on ordinary activities before taxation	2	14,778	11,660
Tax on ordinary activities	4	4,506	4,156
		<hr/>	<hr/>
Profit on ordinary activities after taxation		£10,272	£ 7,504
		<hr/>	<hr/>

A K CHEMISTS LIMITEDBALANCE SHEET AS AT 30th NOVEMBER 1997

	<u>Note</u>	<u>1997</u>	<u>1996</u>
		£	£
Fixed assets			
Intangible assets	5	24,750	30,250
Tangible assets	6	6,732	7,920
		<hr/>	<hr/>
		31,482	38,170
Current assets			
Stocks	7	43,068	31,875
Debtors	8	52,272	40,101
Cash at bank and in hand		1,176	1,656
		<hr/>	<hr/>
		96,516	73,632
Creditors - Amounts falling due within one year	9	31,949	26,979
		<hr/>	<hr/>
Net current assets		64,567	46,653
		<hr/>	<hr/>
Total assets less current liabilities		96,049	84,823
Creditors - Amounts falling due after more than one year	10	67,488	66,534
		<hr/>	<hr/>
		£28,561	£18,289
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	11	2	2
Profit and Loss account	12	28,559	18,287
		<hr/>	<hr/>
		£28,561	£18,289
		<hr/>	<hr/>

continued

A K CHEMISTS LIMITED

BALANCE SHEET
(continued)
at 30th November 1997

The directors consider that for the year ended 30th November 1997 the company was entitled to exemption under subsection 1 of section 249A of the Companies Act 1985. No member or members have deposited a notice requesting an audit for the current financial year under subsection 2 of section 249B of the Act.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985 and preparing financial statements 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 its profit and loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

The directors have taken advantage in the preparation of these financial statements of special exemptions provided by Part I of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.

The financial statements on pages 4 - 10 were approved by the board of directors on 9th June 1998.



Mr. S.K. Varma
Director

A K CHEMISTS LIMITEDNOTES ON FINANCIAL STATEMENTSFOR THE YEAR ENDED 30th NOVEMBER 1997**1. ACCOUNTING POLICIES****Basis of accounting**

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it is entitled to the exemptions available in Section 246 to 247 of the Companies Act 1985 for small companies.

Turnover

Turnover is the amount derived from the provision of goods and services falling within the company's ordinary activities after deduction of trade discounts and value added tax.

Intangible fixed assets**Goodwill**

The purchased goodwill is being amortised over ten years which is considered to be its useful economic life.

Tangible fixed assets and depreciation

Tangible fixed assets are depreciated at the following rates per annum which is considered adequate to write off the cost of the assets on a reducing balance basis, over their estimated useful lives:

Fixtures, fittings & equipment	15%
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A full year's depreciation is charged in the year of acquisition, none in the year of disposal.

Stocks and work in progress

Stocks have been valued at the lower of cost and net realisable value on a first-in first-out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is arrived at after charging:

	<u>1997</u>	<u>1996</u>
Accountants remuneration	850	850
Amortisation	5,500	5,500
Depreciation	1,188	1,397

A K CHEMISTS LIMITEDNOTES TO THE FINANCIAL STATEMENTS CONTINUEDFOR THE YEAR ENDED 30th NOVEMBER 1997

3.	EMPLOYEES	<u>1997</u>	<u>1996</u>
	The average number employed by the company, which includes directors within each category of persons was	4	4
		—	—
	The costs incurred in respect of these employees were	£24,829	£30,619
		—	—
4.	TAX ON PROFIT ON ORDINARY ACTIVITIES	<u>1997</u>	<u>1996</u>
	Corporation tax chargeable at 24/21% (25%/24)	4,520	4,155
	Less: overprovided in previous year	14	-
		—	—
		4,506	4,155
		—	—
5.	INTANGIBLE ASSETS		
		<u>Goodwill</u>	
		£	
	At cost	55,000	
		—	
	AMORTISATION		
	At 30.11.96	24,750	
	Charge for the year	<u>5,500</u>	
	At 30.11.97	30,250	
		—	
	Net book value 30.11.97	24,750	
		—	
	Net book value 30.11.96	30,250	
		—	

A K CHEMISTS LIMITEDNOTES TO THE FINANCIAL STATEMENTS CONTINUEDFOR THE YEAR ENDED 30th NOVEMBER 1997

6.	TANGIBLE ASSETS	<u>Fixtures, fittings & equipment</u>	
		£	
	Cost at 30.11.96	16,182	
		<hr/>	
	DEPRECIATION		
	At 30.11.96	8,262	
	Charge for the year	1,188	
		<hr/>	
	At 30.11.96	9,450	
		<hr/>	
	Net book value 30.11.97	£ 6,732	
		<hr/>	
	Net book value 30.11.96	£ 7,920	
		<hr/>	
7.	STOCKS	<u>1997</u>	<u>1996</u>
		£	£
	Stock in hand for resale	43,068	31,875
		<hr/>	<hr/>
8.	DEBTORS	<u>1997</u>	<u>1996</u>
	Trade debtors	29,887	29,946
	VAT	21,396	8,954
	Prepayments	989	1,201
		<hr/>	<hr/>
		52,272	40,101
		<hr/>	<hr/>
9.	CREDITORS - Amounts falling due within one year	<u>1997</u>	<u>1996</u>
	Trade creditors	9,428	9,285
	Accruals	2,627	1,949
	Bank overdraft	15,374	11,589
	Corporation tax	4,520	4,156
		<hr/>	<hr/>
		31,949	26,979
		<hr/>	<hr/>
10.	CREDITORS - Amounts falling due after more than one year	<u>1997</u>	<u>1996</u>
	S.K. Varma - Director	67,488	66,534
		<hr/>	<hr/>

A K CHEMISTS LIMITEDNOTES TO THE FINANCIAL STATEMENTS CONTINUEDFOR THE YEAR ENDED 30th NOVEMBER 1997

11. SHARE CAPITAL	<u>1997</u>	<u>1996</u>
Authorised 100 ordinary shares of £1 each	£100	£100
	<hr/>	<hr/>
Issued and fully paid	2	2
	<hr/>	<hr/>
12. PROFIT AND LOSS ACOCUNT	<u>1997</u>	<u>1996</u>
At 1st December 1996	18,287	10,783
Retained profit for the year	10,272	7,504
	<hr/>	<hr/>
	28,559	18,287
	<hr/>	<hr/>