Registrar of Companies.

T.W. BUCHANAN (CHEMISTS) LIMITED

FINANCIAL STATEMENTS

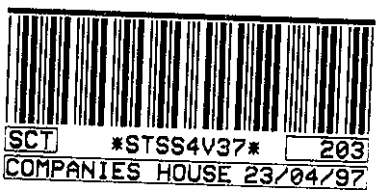
FOR YEAR ENDED

30TH SEPTEMBER 1996

BANK OF SCOTLAND BUILDINGS

FORTH STREET

LEVEN



T.W. BUCHANAN (CHEMISTS) LIMITED

FINANCIAL STATEMENTS
FOR YEAR ENDED 30TH SEPTEMBER 1996

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T.W. BUCHANAN (CHEMISTS) LIMITED

DIRECTORS	MR. M.W. BUCHANAN VAN DOORN MRS. J.D. SAMPSON (APPOINTED 3.2.1997)
SECRETARY	MRS. C. BUCHANAN VAN DOORN
REGISTERED OFFICE	BANK OF SCOTLAND BUILDINGS FORTH STREET LEVEN FIFE KY8 4PF
BANKERS	BANK OF SCOTLAND
AUDITOR	MR. J.A.C. CLARK CHARTERED ACCOUNTANT LEVEN

REPORT OF THE DIRECTORS

The Director presents the Report and the Financial Statements of the Company for the year ended 30th September 1996.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires Directors to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those Financial Statements, Directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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.

PRINCIPAL ACTIVITY

The principal activity of the Company is the operating of a retail pharmacy.

RESULTS

There was a profit on the year's trading of £34,436.

DIRECTORS AND SHAREHOLDINGS

The Director named on page 1 held office throughout the year with shareholding as follows:-

	30.9.96	30.9.95
Mr. M.W. Buchanan Van Doorn	9,120	9,120

AUDITOR

A resolution proposing the re-appointment of Mr. J.A.C. Clark, C.A., as auditor of the Company will be put to members at the Annual General Meeting.

APPROVAL

The Report of the Directors was approved by the Board on 21st March, 1997 and signed on its behalf by

MRS. CHRISTINE BUCHANAN VAN DOORN
SECRETARY
LEVEN

C Buchanan Van Doorn

J. A. C. CLARK, Chartered Accountant,
BANK OF SCOTLAND BUILDINGS, FORTH STREET, LEVEN, KY8 4PF.
Telephone Leven (01333) 423408

REPORT OF THE REGISTERED AUDITOR TO THE MEMBERS OF T.W. BUCHANAN (CHEMISTS) LIMITED

I have audited the Financial Statements on pages 4 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective Responsibilities of Directors and Auditor

As described on page 2 the Company's Directors are responsible for the preparation of Financial Statements. It is my responsibility to form an independent opinion, based on my audit, on those Statements and to report my Opinion to you.

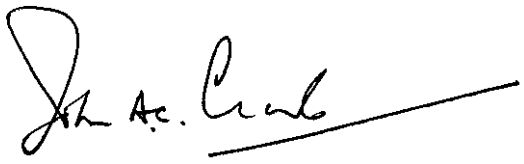
Basis of Opinion

I conducted my 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.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me 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 my opinion I also evaluated the overall adequacy of the presentation of information in the Financial Statements.

Opinion

In my opinion, the Financial Statements give a true and fair view of the state of the Company's affairs at 30th September, 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985, applicable to small Companies.



J.A.C. CLARK,
CHARTERED ACCOUNTANT.

LEVEN,
21ST MARCH, 1997.

Registered to carry on audit work and authorised to carry on investment business by the Institute of Chartered Accountants of Scotland.

T.W. BUCHANAN (CHEMISTS) LIMITED

PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 30TH SEPTEMBER 1996

	NOTE	1996	1995
TURNOVER	2	£957,636	£887,724
COST OF SALES		762,372	705,409
GROSS PROFIT		£195,264	£182,315
RENT RECEIVED		5,516	3,300
INTEREST RECEIVED		3,744	3,500
TOTAL INCOME		£204,524	£189,115
ADMINISTRATIVE EXPENSES		158,232	154,553
PROFIT FOR YEAR BEFORE TAXATION	3	£ 46,292	£ 34,562
CORPORATION TAX	4	11,856	9,469
PROFIT FOR YEAR AFTER TAXATION		£ 34,436	£ 25,093

The Company had no other recognised gains or losses in the two years ended 30th September, 1996 other than as stated above.

T.W. BUCHANAN (CHEMISTS) LIMITED

BALANCE SHEET AS AT 30TH SEPTEMBER 1996

	NOTE	1996	1995
CURRENT ASSETS			
STOCK	1(b)	£ 50,440	£ 48,029
DEBTORS		94,032	64,486
CASH IN BANK		98,896	136,712
		£243,368	£249,227
LESS: CREDITORS DUE WITHIN ONE YEAR	5	105,560	151,717
NET CURRENT ASSETS		£137,808	£ 97,510
FIXED ASSETS			
TANGIBLE FIXED ASSETS	6	107,685	113,547
TOTAL ASSETS LESS CURRENT LIABILITIES		£245,493	£211,057
CAPITAL AND RESERVES			
CALLED UP SHARE CAPITAL	7	£ 15,000	£ 15,000
PROFIT AND LOSS ACCOUNT	8	230,493	196,057
		£245,493	£211,057

The Directors have taken advantage, in the preparation of these Financial Statements, of the exemptions available under Part 1 of Schedule 8 to the Companies Act 1985, on the grounds that the Company qualifies as a small company by virtue of Section 247 of the Companies Act 1985.

The Financial Statements were approved by the Board of Directors on 21st March, 1997 and signed on its behalf by

J.D. SAMPSON,
DIRECTOR.

JD Sampson.

NOTES ON FINANCIAL STATEMENTS FOR YEAR ENDED 30TH SEPTEMBER 1996

1. ACCOUNTING POLICIES

(a) The Accounts have been prepared in compliance with the Companies Act 1985 and under the historical cost convention.

(b) Stock has been valued at the lower of cost or net realisable value.

(c) Depreciation has been provided on a reducing balance basis at 2% on Heritable Property, 25% on Motor Vehicles and 10% on Fittings.

(d) The Company has taken advantage of exemptions applicable to small Companies.

2. TURNOVER

Turnover represents both Dispensing and Counter Sales, net of value added tax.

3. PROFIT FOR YEAR BEFORE TAXATION

	1996	1995
Stated after charging:-		
DIRECTOR'S REMUNERATION	£ 29,203	£ 24,050
LOSS ON ASSET SALE	-	1,109
DEPRECIATION	5,862	7,094
AUDITOR'S FEES	1,100	900
	£ 36,165	£ 33,153

4. CORPORATION TAX

Provision has been made on the taxable Profit for the year at the appropriate rates.

5. CREDITORS DUE WITHIN ONE YEAR

	1996	1995
TRADE ACCOUNTS	£ 63,733	£114,545
CORPORATION TAX	11,842	9,455
OTHER TAXATION AND SOCIAL SECURITY	3,285	1,366
ACCRUED CHARGES	26,700	26,351
	£105,560	£151,717

6. TANGIBLE FIXED ASSETS/

NOTES ON FINANCIAL STATEMENTS (CONTD.)

6. TANGIBLE FIXED ASSETS

	AS AT 30.9.95	ADDED	AS AT 30.9.96
COST			
HERITABLE PROPERTY	£117,865	£ -	£117,865
MOTOR VEHICLES	17,933	-	17,933
FITTINGS	26,524	-	26,524
	£162,322	£ -	£162,322
DEPRECIATION			
HERITABLE PROPERTY	£ 24,050	£ 1,875	£ 25,925
MOTOR VEHICLES	4,483	3,360	7,843
FITTINGS	20,242	627	20,869
	£ 48,775	£ 5,862	£ 54,637
	£113,547		£107,685

7. SHARE CAPITAL

	1996	1995
AUTHORISED - 25,000 ORDINARY SHARES OF £1 EACH	£ 25,000	£ 25,000
CALLED-UP 15,000 DO. DO.	£ 15,000	£ 15,000

8. PROFIT AND LOSS ACCOUNT

	1996	1995
BALANCE AS AT 30.9.95	£196,057	£170,964
PROFIT FOR YEAR	34,436	25,093
	£230,493	£196,057