Registrar of Companies.

T.W. BUCHANAN (CHEMISTS) LIMITED

FINANCIAL STATEMENTS

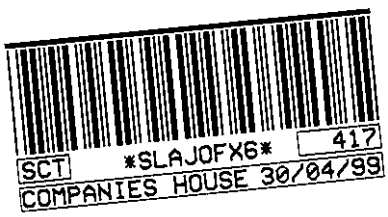
FOR YEAR ENDED

30TH SEPTEMBER 1998

BANK OF SCOTLAND BUILDINGS

FORTH STREET

LEVEN



T.W. BUCHANAN (CHEMISTS) LIMITED

FINANCIAL STATEMENTS
FOR YEAR ENDED 30TH SEPTEMBER 1998

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T.W. BUCHANAN (CHEMISTS) LIMITED

DIRECTORS	MR. M.W. BUCHANAN VAN DOORN MRS. J.D. SAMPSON (RESIGNED 31.3.1998)
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 Directors present the Report and the Financial Statements of the Company for the year ended 30th September 1998.

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 £23,278.

DIRECTORS AND SHAREHOLDINGS

The Directors named on page 1 held office throughout the year or as indicated with shareholdings as follows:-

	30.9.98	30.9.97
Mr. M.W. Buchanan Van Doorn	14,995	9,120
Mrs. J.D. Sampson (resigned 31.3.98)	-	-

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 9th March, 1999 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 responsbility 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 1998 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 & REGISTERED AUDITOR.

LEVEN,
9th March, 1999.

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

PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 30TH SEPTEMBER 1998

	NOTE	1998	1997
TURNOVER	2	£1,146,948	£1,058,282
COST OF SALES		957,114	881,058
GROSS PROFIT		£ 189,834	£ 177,224
RENT RECEIVED		2,208	1,700
INTEREST RECEIVED		7,193	6,795
TOTAL INCOME		£ 199,235	£ 185,719
ADMINISTRATIVE EXPENSES		169,367	161,809
PROFIT FOR YEAR BEFORE TAXATION	3	£ 29,868	£ 23,910
CORPORATION TAX	4	6,590	5,675
PROFIT FOR YEAR AFTER TAXATION		£ 23,278	£ 18,235

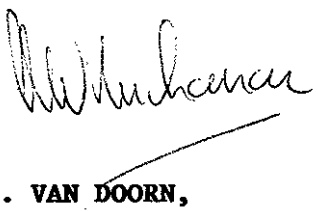
The Company had no other recognised gains or losses in the two years ended 30th September 1998 other than as stated above.

BALANCE SHEET AS AT 30TH SEPTEMBER 1998

	NOTE	1998	1997
CURRENT ASSETS			
STOCK	1(b)	£ 57,611	£ 57,921
DEBTORS		115,407	102,606
CASH IN BANK		65,189	13,399
		£238,207	£173,926
LESS: CREDITORS DUE WITHIN ONE YEAR	5	145,777	108,983
NET CURRENT ASSETS		£ 92,430	£ 64,943
LOAN	6	96,000	96,000
FIXED ASSETS			
TANGIBLE FIXED ASSETS	7	98,576	102,785
TOTAL ASSETS LESS CURRENT LIABILITIES		£287,006	£263,728
CAPITAL AND RESERVES			
CALLED UP SHARE CAPITAL	8	£ 15,000	£ 15,000
PROFIT AND LOSS ACCOUNT	9	272,006	248,728
		£287,006	£263,728

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 9th March 1999 and signed on its behalf by



M.W.B. VAN DOORN,
DIRECTOR.

NOTES ON FINANCIAL STATEMENTS FOR YEAR ENDED 30TH SEPTEMBER 1998

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

Stated after charging:-

	1998	1997
DIRECTOR'S REMUNERATION	£ 28,593	£ 28,371
DEPRECIATION	4,209	4,900
AUDITOR'S FEES	1,000	1,015
	£ 33,802	£ 34,286

4. CORPORATION TAX

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

5. CREDITORS DUE WITHIN ONE YEAR

	1998	1997
TRADE ACCOUNTS	£ 98,194	£ 74,568
CORPORATION TAX	6,590	5,675
OTHER TAXATION AND SOCIAL SECURITY	1,293	1,540
ACCRUED CHARGES	39,700	27,200
	£145,777	£108,983

6. LOAN

	1998	1997
BALANCE AS AT 30.9.97	£ 96,000	£100,000
LESS: REPAID IN YEAR	-	4,000
	£ 96,000	£ 96,000

7. TANGIBLE FIXED ASSETS/

NOTES ON FINANCIAL STATEMENTS (CONTD.)

7. TANGIBLE FIXED ASSETS

	As at 30.9.97	Added	As at 30.9.98
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	£ 27,760	£ 1,800	£ 29,560
MOTOR VEHICLES	10,343	1,900	12,243
FITTINGS	21,434	509	21,943
	£ 59,537	£ 4,209	£ 63,746
	£102,785		£ 98,576

8. SHARE CAPITAL

	1998	1997
AUTHORISED - 25,000 ORDINARY SHARES OF £1 EACH	£ 25,000	£ 25,000
CALLED-UP - 15,000 DO. DO.	£ 15,000	£ 15,000

9. PROFIT AND LOSS ACCOUNT

	1998	1997
BALANCE AS AT 30.9.97	£248,728	£230,493
PROFIT FOR YEAR	23,278	18,235
	£272,006	£248,728