

**8PM CHEMIST LIMITED**

**ABBREVIATED ACCOUNTS FOR THE PERIOD 5 DECEMBER 2004 TO 31 MAY 2006**

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25/05/2007

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COMPANIES HOUSE

Lancaster & Co  
Chartered Accountants  
Granville House  
2 Tettenhall Road  
Wolverhampton  
West Midlands  
WV1 4SB

**8PM CHEMIST LIMITED**

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**for the Period 5 December 2004 to 31 May 2006**

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**8PM CHEMIST LIMITED**

**COMPANY INFORMATION**

for the Period 5 December 2004 to 31 May 2006

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**DIRECTORS:**

V Aggarwal  
M Aggarwal

**SECRETARY:**

V Aggarwal

**REGISTERED OFFICE:**

61 Wolverhampton Street  
Willenhall  
Wolverhampton  
West Midlands  
WV13 2AN

**REGISTERED NUMBER:**

02737126 (England and Wales)

**AUDITORS:**

Lancaster & Co  
Chartered Accountants  
Granville House  
2 Tettenhall Road  
Wolverhampton  
West Midlands  
WV1 4SB

**BANKERS:**

National Westminster Bank Plc  
10 High Street  
Wednesfield  
Wolverhampton  
West Midlands  
WV11 1TA

## **8PM CHEMIST LIMITED**

### **REPORT OF THE DIRECTORS**

**for the Period 5 December 2004 to 31 May 2006**

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The directors present their report with the accounts of the company for the period 5 December 2004 to 31 May 2006.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the period under review was that of dispensing chemists.

#### **REVIEW OF BUSINESS**

The results for the period and financial position of the company are as shown in the annexed accounts.

The directors believe that this has been a successful period for the Company, which has seen turnover increase by £7.2m or 85% on last year, after adjusting for an 18 month period.

The operating profit, after adjusting for the profit on disposal of the subsidiary, has remained fairly consistent with last year. This is due to the increase in the organisational costs required to obtain such growth, however the directors believe the full financial benefits of this rapid growth will be seen in future accounting periods.

#### **DIVIDENDS**

No dividends will be distributed for the period ended 31 May 2006.

#### **DIRECTORS**

The directors during the period under review were:

V Aggarwal  
M Aggarwal

The directors holding office at 31 May 2006 did not hold any beneficial interest in the issued share capital of the company at 5 December 2004 or 31 May 2006.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the 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, the 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.

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.

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**8PM CHEMIST LIMITED**

**REPORT OF THE DIRECTORS**

**for the Period 5 December 2004 to 31 May 2006**

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**AUDITORS**

The auditors, Lancaster & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

**ON BEHALF OF THE BOARD:**



V Aggarwal - Secretary

21 May 2007

**REPORT OF THE INDEPENDENT AUDITORS TO  
8PM CHEMIST LIMITED  
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

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We have examined the abbreviated accounts set out on pages five to eighteen, together with the financial statements of 8PM Chemist Limited for the period ended 31 May 2006 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

**Basis of opinion**

We conducted our work in accordance with Bulletin 2006/3 "The Special Auditor's Report on Abbreviated Accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.



Lancaster & Co  
Chartered Accountants  
Granville House  
2 Tettenhall Road  
Wolverhampton  
West Midlands  
WV1 4SB

21 May 2007

**8PM CHEMIST LIMITED**

**ABBREVIATED PROFIT AND LOSS ACCOUNT**  
for the Period 5 December 2004 to 31 May 2006

	Notes	Period 5.12.04 to 31.5.06		Period 1.12.03 to 4.12.04	
		£	£	£	£
<b>GROSS PROFIT</b>			2,193,425		1,357,727
Distribution costs		117,890		-	
Administrative expenses		1,962,697		767,213	
Exceptional items	4	<u>(1,219,006)</u>		<u>561,596</u>	
			<u>861,581</u>		<u>1,328,809</u>
<b>OPERATING PROFIT</b>	3		1,331,844		28,918
Interest receivable and similar income			<u>127,007</u>		<u>55,080</u>
			1,458,851		83,998
Interest payable and similar charges	5		<u>2,201</u>		<u>371</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			1,456,650		83,627
Tax on profit on ordinary activities	6		47,339		16,136
Exceptional item	6		<u>360,015</u>		<u>-</u>
<b>PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION</b>			<u>1,049,296</u>		<u>67,491</u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current period or previous period.

**TOTAL RECOGNISED GAINS AND LOSSES**


The company has no recognised gains or losses other than the profits for the current period or previous period.

The notes form part of these abbreviated accounts

**8PM CHEMIST LIMITED**
**ABBREVIATED BALANCE SHEET**  
**31 May 2006**

	Notes	31.5.06 £	£	4.12.04 £	£
<b>FIXED ASSETS</b>					
Intangible assets	7		125,108		137,785
Tangible assets	8		35,283		57,411
Investments	9		-		85,000
			160,391		280,196
<b>CURRENT ASSETS</b>					
Stocks	10	425,509		941,458	
Debtors	11	1,416,898		1,700,424	
Cash at bank and in hand		<u>3,030,835</u>		<u>1,165,796</u>	
		4,873,242		3,807,678	
<b>CREDITORS</b>					
Amounts falling due within one year	12	<u>2,627,598</u>		<u>2,684,555</u>	
<b>NET CURRENT ASSETS</b>					
			<u>2,245,644</u>		<u>1,123,123</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			2,406,035		1,403,319
<b>CREDITORS</b>					
Amounts falling due after more than one year	13		-		(43,192)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>					
	17		<u>(5,025)</u>		<u>(8,413)</u>
<b>NET ASSETS</b>					
			<u>2,401,010</u>		<u>1,351,714</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		100		100
Share premium	19		479,161		479,161
Profit and loss account	19		<u>1,921,749</u>		<u>872,453</u>
<b>SHAREHOLDERS' FUNDS</b>					
	23		<u>2,401,010</u>		<u>1,351,714</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

**ON BEHALF OF THE BOARD:**


V Aggarwal - Director

Approved by the Board on 21 May 2007

The notes form part of these abbreviated accounts



**8PM CHEMIST LIMITED**

**CASH FLOW STATEMENT**

for the Period 5 December 2004 to 31 May 2006

		Period 5.12.04 to 31.5.06		Period 1.12.03 to 4.12.04	
	Notes	£	£	£	£
Net cash inflow/(outflow) from operating activities	1		775,915		(805,399)
Returns on investments and servicing of finance	2		124,806		54,709
Taxation			(386,585)		(20,840)
Capital expenditure and financial investment	2		<u>1,398,233</u>		<u>17,649</u>
Increase/(Decrease) in cash in the period			<u>1,912,369</u>		<u>(753,881)</u>

**Reconciliation of net cash flow  
to movement in net funds**

	3		
Increase/(Decrease) in cash in the period		1,912,369	(753,881)
Cash outflow from decrease in debt		<u>67,163</u>	<u>55,744</u>
Change in net funds resulting from cash flows		<u>1,979,532</u>	<u>(698,137)</u>
Movement in net funds in the period		1,979,532	(698,137)
Net funds at 5 December		<u>934,933</u>	<u>1,633,070</u>
Net funds at 31 May		<u>2,914,465</u>	<u>934,933</u>

The notes form part of these abbreviated accounts

**NOTES TO THE CASH FLOW STATEMENT**  
for the Period 5 December 2004 to 31 May 2006

**1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**

	Period 5.12.04 to 31.5.06 £	Period 1.12.03 to 4.12.04 £
Operating profit	1,331,844	28,918
Depreciation charges	36,573	27,062
Profit on disposal of fixed assets	(1,315,000)	(7,768)
Decrease/(Increase) in stocks	515,949	(225,202)
Decrease/(Increase) in debtors	283,526	(918,279)
(Decrease)/Increase in creditors	<u>(76,977)</u>	<u>289,870</u>
<b>Net cash inflow/(outflow) from operating activities</b>	<u><b>775,915</b></u>	<u><b>(805,399)</b></u>

**2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	Period 5.12.04 to 31.5.06 £	Period 1.12.03 to 4.12.04 £
<b>Returns on investments and servicing of finance</b>		
Interest received	127,007	55,080
Interest paid	<u>(2,201)</u>	<u>(371)</u>
<b>Net cash inflow for returns on investments and servicing of finance</b>	<u><b>124,806</b></u>	<u><b>54,709</b></u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(1,767)	(17,351)
Sale of intangible fixed assets	-	35,000
Sale of fixed asset investments	<u>1,400,000</u>	<u>-</u>
<b>Net cash inflow for capital expenditure and financial investment</b>	<u><b>1,398,233</b></u>	<u><b>17,649</b></u>

The notes form part of these abbreviated accounts

8PM CHEMIST LIMITED

NOTES TO THE CASH FLOW STATEMENT  
for the Period 5 December 2004 to 31 May 2006

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 5.12.04 £	Cash flow £	At 31.5.06 £
Net cash:			
Cash at bank and in hand	1,165,796	1,865,039	3,030,835
Bank overdraft	<u>(136,215)</u>	<u>47,330</u>	<u>(88,885)</u>
	<u>1,029,581</u>	<u>1,912,369</u>	<u>2,941,950</u>
Debt:			
Debts falling due within one year	(51,456)	23,971	(27,485)
Debts falling due after one year	<u>(43,192)</u>	<u>43,192</u>	<u>-</u>
	<u>(94,648)</u>	<u>67,163</u>	<u>(27,485)</u>
Total	<u>934,933</u>	<u>1,979,532</u>	<u>2,914,465</u>

The notes form part of these abbreviated accounts

**NOTES TO THE ABBREVIATED ACCOUNTS**  
for the Period 5 December 2004 to 31 May 2006

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**I. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements are prepared under the historical cost convention.

**Exemption from preparing consolidated financial statements**

In the opinion of the directors, the company and its parent company comprise a medium sized group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

**Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax.

**Goodwill**

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 20 years.

**Product licences**

Product licences are valued at cost less accumulated amortisation.

Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful life of 20 years.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- in accordance with the property
Plant and machinery	- 15% on cost
Fixtures and fittings	- 15% on cost
Motor vehicles	- 15% on cost

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

**Derivative financial instruments**

The company used interest rate swaps to manage some of its exposure to interest rates and also traded on them on a speculative basis. For interest rate swaps held at the end of the accounting period, amounts receivable or payable in respect of these instruments are recognised as *earnings or expenses* in the profit and loss account on an accruals basis. For instruments unwound or cancelled during the period, the full amount of any gain or loss receivable or payable at the time of the unwind is fully recognised in the profit and loss account of the accounting period.

# 8PM CHEMIST LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS - continued for the Period 5 December 2004 to 31 May 2006

### 2. STAFF COSTS

	Period 5.12.04 to 31.5.06 £	Period 1.12.03 to 4.12.04 £
Wages and salaries	1,275,888	426,368
Social security costs	<u>92,224</u>	<u>30,969</u>
	<u>1,368,112</u>	<u>457,337</u>

The average monthly number of employees during the period was as follows:

	Period 5.12.04 to 31.5.06	Period 1.12.03 to 4.12.04
Directors	2	2
Other staff	<u>69</u>	<u>62</u>
	<u>71</u>	<u>64</u>

### 3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	Period 5.12.04 to 31.5.06 £	Period 1.12.03 to 4.12.04 £
Depreciation - owned assets	23,896	18,804
Profit on disposal of fixed assets	(1,315,000)	(7,768)
Goodwill amortisation	3,980	2,123
Patents and licences amortisation	8,697	6,138
Auditors' remuneration	6,000	3,000
Operating lease rentals	91,350	91,350
Exceptional items	<u>95,994</u>	<u>561,596</u>
Directors' emoluments	<u>122,000</u>	<u>812</u>

### 4. EXCEPTIONAL ITEMS

During the period the Company paid £95,994 relating to the unwinding of bank swaps and made a profit of £1,315,000 on the sale of its subsidiary.

**8PM CHEMIST LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS - continued**  
for the Period 5 December 2004 to 31 May 2006

**5. INTEREST PAYABLE AND SIMILAR CHARGES**

	Period 5.12.04 to 31.5.06 £	Period 1.12.03 to 4.12.04 £
Bank interest	2,201	-
Interest on overdue taxation	-	371
	<u>2,201</u>	<u>371</u>

**6. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the period was as follows:

	Period 5.12.04 to 31.5.06 £	Period 1.12.03 to 4.12.04 £
Current tax:		
UK corporation tax	50,727	18,031
Overprovision of corporation tax	-	44
Total current tax	50,727	18,075
Deferred tax	<u>(3,388)</u>	<u>(1,939)</u>
Exceptional items	<u>360,015</u>	-
Tax on profit on ordinary activities	<u>407,354</u>	<u>16,136</u>

**NOTES TO THE ABBREVIATED ACCOUNTS - continued**  
**for the Period 5 December 2004 to 31 May 2006**

**6. TAXATION - continued**

**Factors affecting the tax charge**

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	Period 5.12.04 to 31.5.06 £	Period 1.12.03 to 4.12.04 £
Profit on ordinary activities before tax	<u>1,456,650</u>	<u>83,627</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2004 - 19%)	436,995	15,889
Effects of:		
Expenses not deductible for tax purposes	9,198	1,032
Capital allowances for the period in excess of depreciation	6,938	1,110
Capital gain qualifying for tax exemption	(394,500)	-
Adjustments to tax charge in respect of previous periods	-	44
Marginal relief	<u>(7,904)</u>	<u>-</u>
Current tax charge	<u>50,727</u>	<u>18,075</u>

During the period the Company paid £360,015 in corporation tax relating to over claimed relief on EBT assets relating to previous periods.

**7. INTANGIBLE FIXED ASSETS**

	Goodwill £	Patents and licences £	Totals £
<b>COST</b>			
At 5 December 2004 and 31 May 2006	<u>100,923</u>	<u>122,762</u>	<u>223,685</u>
<b>AMORTISATION</b>			
At 5 December 2004	63,787	22,113	85,900
Amortisation for period	<u>3,980</u>	<u>8,697</u>	<u>12,677</u>
At 31 May 2006	<u>67,767</u>	<u>30,810</u>	<u>98,577</u>
<b>NET BOOK VALUE</b>			
At 31 May 2006	<u>33,156</u>	<u>91,952</u>	<u>125,108</u>
At 4 December 2004	<u>37,136</u>	<u>100,649</u>	<u>137,785</u>

**8PM CHEMIST LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS - continued**  
for the Period 5 December 2004 to 31 May 2006

**8. TANGIBLE FIXED ASSETS**

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>					
At 5 December 2004	10,402	67,706	78,133	59,338	215,579
Additions	-	-	1,767	-	1,767
At 31 May 2006	10,402	67,706	79,900	59,338	217,346
<b>DEPRECIATION</b>					
At 5 December 2004	800	55,649	62,936	38,782	158,167
Charge for period	1,200	6,526	8,954	7,216	23,896
At 31 May 2006	2,000	62,175	71,890	45,998	182,063
<b>NET BOOK VALUE</b>					
At 31 May 2006	8,402	5,531	8,010	13,340	35,283
At 4 December 2004	9,602	12,057	15,197	20,556	57,412

**9. FIXED ASSET INVESTMENTS**

	Unlisted investments £
<b>COST</b>	
At 5 December 2004	85,000
Disposals	(85,000)
At 31 May 2006	-
<b>NET BOOK VALUE</b>	
At 31 May 2006	-
At 4 December 2004	85,000

The Company sold its 100% holding in its subsidiary, Croft Medial Centre Limited, on the 5th December 2004.

**10. STOCKS**

	31.5.06 £	4.12.04 £
Finished goods	425,509	941,458



**NOTES TO THE ABBREVIATED ACCOUNTS - continued**  
**for the Period 5 December 2004 to 31 May 2006**

**11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.5.06	4.12.04
	£	£
Trade debtors	568,751	917,560
Other debtors	20,287	3,203
Amounts due from related parties	83,031	60,374
Amounts due from group undertakings	508,496	451,785
VAT	201,209	231,424
Prepayments and accrued income	35,124	36,078
	<u>1,416,898</u>	<u>1,700,424</u>

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.5.06	4.12.04
	£	£
Bank loans and overdrafts (see note 14)	116,370	187,671
Trade creditors	2,091,408	1,012,180
Payments on account	160,010	-
Tax	50,727	26,570
Social security and other taxes	11,858	5,878
Wages control account	-	1,057
Amounts due to related parties	171,058	1,430,699
Accruals and deferred income	26,167	20,500
	<u>2,627,598</u>	<u>2,684,555</u>

**13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.5.06	4.12.04
	£	£
Bank loans (see note 14)	-	43,192

**14. LOANS**

An analysis of the maturity of loans is given below:

	31.5.06	4.12.04
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	88,885	136,215
Bank loans	<u>27,485</u>	<u>51,456</u>
	<u>116,370</u>	<u>187,671</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	-	<u>43,192</u>

**NOTES TO THE ABBREVIATED ACCOUNTS - continued**  
**for the Period 5 December 2004 to 31 May 2006**

**15. OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year:

		Land and buildings
	31.5.06	4.12.04
	£	£
Expiring:		
In more than five years	<u>91,350</u>	<u>91,350</u>

**16. SECURED DEBTS**

The following secured debts are included within creditors:

	31.5.06	4.12.04
	£	£
Bank loans	<u>27,485</u>	<u>94,648</u>

The Company's bank loans are repayable within the next year, with interest being charged at 0.75% above National Westminster Bank plc base rate.

The following securities are in place;

First legal mortgage dated 8 April 1997 over leasehold deeds of 60 Wolverhampton Street, Willenhall;  
 First legal mortgage dated 8 April 1997 over leasehold deeds of 2 Wolverhampton Street, Willenhall;  
 First legal mortgage dated 8 April 1997 over leasehold deeds of 61 Wolverhampton Street, Willenhall;  
 First legal mortgage dated 8 April 1997 over leasehold deeds of 4 Wolverhampton Street, Willenhall;  
 First legal mortgage dated 8 April 1997 over leasehold deeds of 1 and 2 Stafford Street, Willenhall;  
 Unscheduled mortgage debenture by 8PM Chemist Limited incorporating a fixed and floating charge over all current and future assets of the company;  
 Charge over credit balance dated 24 February 2003 for £100,000 on account number 83002707;  
 Cross company guarantee unlimited by Regard catch Limited dated 8 April 1997;  
 Guarantee given by AAH Pharmaceutical Limited of £400,000 dated 17 November 1998;  
 Second debenture dated 17 December 2003 over the Company's assets in favour of AAH Pharmaceuticals Limited, Barclay Pharmaceuticals Limited and Farillon Limited.

**17. PROVISIONS FOR LIABILITIES AND CHARGES**

	31.5.06	4.12.04
	£	£
Deferred tax	<u>5,025</u>	<u>8,413</u>
		Deferred tax
		£
Balance at 5 December 2004		8,413
Deferred tax movement		<u>(3,388)</u>
Balance at 31 May 2006		<u>5,025</u>

# 8PM CHEMIST LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS - continued for the Period 5 December 2004 to 31 May 2006

### 18. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	31.5.06	4.12.04
			£	£
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.5.06	4.12.04
			£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

### 19. RESERVES

	Profit and loss account	Share premium	Totals
	£	£	£
At 5 December 2004	872,453	479,161	1,351,614
Retained profit for the period	<u>1,049,296</u>		<u>1,049,296</u>
At 31 May 2006	<u>1,921,749</u>	<u>479,161</u>	<u>2,400,910</u>

### 20. ULTIMATE PARENT COMPANY

8PM Chemist Limited is a wholly owned subsidiary of Regardcatch Limited. The transactions between the companies are disclosed within the notes to the accounts under 'related party transactions'.

### 21. CONTINGENT LIABILITIES

The Company has entered into a number of agreements with a third party whereby they will provide dossiers for pharmaceutical products and make marketing applications on behalf of the Company to the regulatory authorities in the UK. An upfront fee representing 50% of the total amount is payable to the third party upon signing the agreement and the remainder is payable upon obtaining the licence from the regulatory authority.

**NOTES TO THE ABBREVIATED ACCOUNTS - continued**  
**for the Period 5 December 2004 to 31 May 2006**

**22. RELATED PARTY DISCLOSURES**

During the period under review the Company paid management charges amounting to £166,667 (2004 - £53,333) and rent for property of £69,500 (2004 - £45,000) to its parent company, Regardcatch Limited.

At the balance sheet date the Company was owed £508,496 (2004 - £402,792) by Regardcatch Limited.

During the period under review the Company sold its wholly owned subsidiary, Croft Medical Centre Limited, to Mukesh Aggarwal Limited. Mukesh Aggarwal is a director of Mukesh Aggarwal Limited, Croft Medical Centre Limited and 8PM Chemist Limited.

The Company sold goods to Croft Medical Centre Limited for £707,176.

At the balance sheet date the Company owed Croft Medical Centre Limited £105,361 (2004 - £48,993 owed from Croft Medical Centre Limited).

At the balance sheet date the Company was owed £58,186 (2004 - £1,400,000 owed to) by Mukesh Aggarwal Limited.

During the period under review the Company charged £1,763 interest on a loan made to Shinesrike Limited. V Aggarwal is a director of that Company.

At the balance sheet date the Company was owed £12,554 (2004 - £30,000) by Shinesrike Limited.

At the balance sheet date the Company was owed £12,292 (2004 - 30,375) by Beswicks Stafford (8). R Aggarwal and her spouse own Regardcatch Limited. She is a director and shareholder of Beswicks Stafford (8).

During the period under review the Company bought goods from Beswicks Stafford (7) for £65,882. R Aggarwal is a director and shareholder of Beswicks Stafford (7).

At the balance sheet date the Company owed £65,697 (2004 - £30,699) to Beswicks Stafford (7).

**23. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	31.5.06 £	4.12.04 £
Profit for the financial period	<u>1,049,296</u>	<u>67,491</u>
<b>Net addition to shareholders' funds</b>	1,049,296	67,491
Opening shareholders' funds	<u>1,351,714</u>	<u>1,284,223</u>
<b>Closing shareholders' funds</b>	<u>2,401,010</u>	<u>1,351,714</u>
Equity interests	<u>2,401,010</u>	<u>1,351,714</u>