

COOPERS CHEMIST MARSKE LIMITED
FINANCIAL STATEMENTS
31ST AUGUST 2011



COOPERS CHEMIST MARSKE LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST AUGUST 2011

CONTENTS	PAGES
Officers and professional advisers	1
The directors' report	2 to 4
Independent auditor's report to the company's shareholders	5 to 6
Group profit and loss account	7
Group statement of total recognised gains and losses	8
Group balance sheet	9
Company balance sheet	10
Group cash flow	11 to 13
Notes to the group financial statements	14 to 30
The following pages do not form part of the financial statements	
Detailed group profit and loss account	32
Notes to the detailed group profit and loss account	33 to 34

COOPERS CHEMIST MARSKE LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr J Cooper
Mr D Cooper
Mrs S Cooper
Mr P McLaughlin
Mrs J Cooper
Mrs L Cooper
Mr P Brady

Company secretary

Mrs Sadie Cooper

Registered office

112 High Street
Marske
Redcar
TS11 7BA

Auditor

Tait Walker LLP
Chartered Accountants
& Statutory Auditor
Crutes House
Fudan Way
Teesdale Park
Stockton-on-Tees
TS17 6EN

COOPERS CHEMIST MARSKE LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31ST AUGUST 2011

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 31st August 2011

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the group during the year was as dispensing chemists

Key performance indicators

	2011	2010	2009
Gross profit margin (%)	30.16	32.45	31.90
Net operating margin (%)	1.01	3.97	4.25
Net profit margin (%)	0.63	3.53	4.07

FUTURE DEVELOPMENTS

Group companies continue to perform well in the independent sector by prudent buying of drugs and sales of profitable gift lines. During 2011/12 we will continue to source the competitive supplies of drugs and strive to enhance our reputation as a supplier of quality sundry products.

The Coopers branch at Coatham Road successfully moved into the new Coatham Surgery site in July 2011.

Further government reductions in Category M generic drug reimbursement since and direct to pharmacy supply schemes are likely to reduce profit margins again next year and affect cash flow. Sufficient funds are available to operate in these circumstances.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £15,743. Particulars of dividends paid are detailed in note 10 to the financial statements.

The board of Clevechem Limited has approved payment of a first and final dividend of £10.00 per share, payable to those shareholders who have not waived their rights to receive such dividends.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group has an established, structured approach to risk management. The group's activities expose it to a variety of financial risks, including liquidity and interest rate risks. The group has adopted risk management policies that seek to mitigate these risks in a cost effective manner.

Liquidity risk is the risk that the group does not have sufficient liquid assets to meet its obligations as they fall due. Liquidity is maintained at a prudent level and the group ensures there is an adequate liquidity buffer to cover contingencies.

The group maintains sufficient cash and open committed credit lines from banks for its funding requirements.

Interest rate risk re unfavourable movements in interest rates is not perceived as being material to the accounts due to the borrowing agreements in place.

Relaxation of the control of entry rules for pharmacy by the government would effect competition. The downturn in the economy will not affect prescription turnover but may reduce sundry sales (10% of turnover). The PI drug market is under pressure from manufactures tightening controls over the supply of drugs in Europe. This will affect margins on 10% of purchases.

COOPERS CHEMIST MARSKE LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31ST AUGUST 2011

DIRECTORS

The directors who served the company during the year were as follows

Mr J Cooper
Mr D Cooper
Mrs S Cooper
Mr P McLaughlin
Mrs J Cooper
Mrs L Cooper
Mr P Brady

Mr P Brady was appointed as a director on 30th September 2010

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and the profit or loss of the group for that year.

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 group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

In so far as the directors are aware

- there is no relevant audit information of which the group's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

COOPERS CHEMIST MARSKE LIMITED

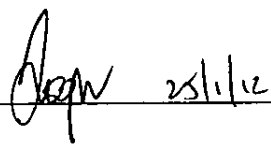
THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31ST AUGUST 2011

AUDITOR

A resolution to re-appoint Tait Walker LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 485 of the Companies Act 2006

Signed on behalf of the directors



Mr J Cooper
Director

Approved by the directors on

COOPERS CHEMIST MARSKE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE COMPANY'S SHAREHOLDERS YEAR ENDED 31ST AUGUST 2011

We have audited the group and parent company financial statements ("the financial statements") of Coopers Chemist Marske Limited for the year ended 31st August 2011 set out on pages 7 to 30. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's 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 and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

BASIS FOR QUALIFIED OPINION ON FINANCIAL STATEMENTS

With respect to the turnover of subsidiary undertaking, Clevechem Limited, amounting to £2,159,300, the evidence available to us was limited due to the company not retaining till receipts. Owing to the nature of the company's records we were unable to obtain sufficient appropriate audit evidence regarding turnover by using other audit procedures.

QUALIFIED OPINION ON FINANCIAL STATEMENTS

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements

- give a true and fair view of the state of the group and the parent company's affairs as at 31st August 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

COOPERS CHEMIST MARSKE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE COMPANY'S SHAREHOLDERS

(continued)

YEAR ENDED 31ST AUGUST 2011

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In respect solely of the limitation of our work relating to the turnover of Clevechem Limited, described above

- we have not obtained all the information and explanations we considered necessary for the purpose of our audit, and
- we were unable to determine whether adequate accounting records had been kept

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company , or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made

Tait Walker LLP

Julie Harrison BSc(Hons) FCA (Senior Statutory Auditor)
For and on behalf of
Tait Walker LLP, Chartered Accountants & Statutory Auditor
Crutes House
Fudan Way
Teesdale Park
Stockton-on-Tees
TS17 6EN

30.1.12

COOPERS CHEMIST MARSKE LIMITED
GROUP PROFIT AND LOSS ACCOUNT
YEAR ENDED 31ST AUGUST 2011

		2011	2010 <i>(restated)</i>
	Note	£	£
GROUP TURNOVER	2	8,709,676	8,977,551
Cost of sales		<u>6,082,444</u>	<u>6,064,084</u>
GROSS PROFIT		2,627,232	2,913,467
Administrative expenses		2,553,112	2,571,562
Other operating income	3	<u>(13,994)</u>	<u>(14,589)</u>
OPERATING PROFIT	4	88,114	356,494
Interest receivable		8,040	7,383
Interest payable and similar charges	7	<u>(40,940)</u>	<u>(47,030)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		55,214	316,847
Tax on profit on ordinary activities	8	<u>45,835</u>	<u>106,550</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		9,379	210,297
Minority interests		<u>25,122</u>	<u>12,884</u>
(LOSS)/PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY	9	(15,743)	197,413
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(15,743)</u>	<u>197,413</u>

All of the activities of the group are classed as continuing
The company has taken advantage of section 408 of the Companies Act 2006
not to publish its own Profit and Loss Account

The notes on pages 14 to 30 form part of these financial statements

COOPERS CHEMIST MARSKE LIMITED
GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31ST AUGUST 2011

	2011	2010
	£	(restated) £
Profit for the financial year attributable to the shareholders of the parent company	(15,743)	197,413
Total recognised gains and losses relating to the year	<u>(15,743)</u>	<u>197,413</u>
Prior year adjustment (see note 11)	<u>(52)</u>	<u>-</u>
Total gains and losses recognised since the last annual report	<u>(15,795)</u>	<u>197,413</u>

The notes on pages 14 to 30 form part of these financial statements

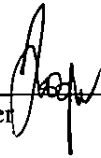
COOPERS CHEMIST MARSKE LIMITED

GROUP BALANCE SHEET

31ST AUGUST 2011

		2011		2010 (restated)	
	Note	£	£	£	£
FIXED ASSETS					
Intangible assets	12		1,876,371		1,974,779
Tangible assets	13		327,135		281,781
Investments	14		2,200		2,200
			<u>2,205,706</u>		<u>2,258,760</u>
CURRENT ASSETS					
Stocks	15	657,973		682,756	
Debtors	16	2,148,064		1,925,925	
Cash at bank and in hand		815,611		1,606,102	
		<u>3,621,648</u>		<u>4,214,783</u>	
CREDITORS: Amounts falling due within one year	17	1,913,756		2,446,712	
NET CURRENT ASSETS			<u>1,707,892</u>		<u>1,768,071</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,913,598</u>		<u>4,026,831</u>
CREDITORS: Amounts falling due after more than one year	18		963,148		1,104,052
PROVISIONS FOR LIABILITIES					
Deferred taxation	19		39,531		16,239
			<u>2,910,919</u>		<u>2,906,540</u>
MINORITY INTERESTS			<u>644,002</u>		<u>618,880</u>
			<u>2,266,917</u>		<u>2,287,660</u>
CAPITAL AND RESERVES					
Called-up equity share capital	23		100		100
Share premium account	24		237,190		237,190
Profit and loss account	24		2,029,627		2,050,370
SHAREHOLDERS' FUNDS	25		<u>2,266,917</u>		<u>2,287,660</u>

These financial statements were approved by the directors and authorised for issue on and are signed on their behalf by


Mr J Cooper
Director

The notes on pages 14 to 30 form part of these financial statements

COOPERS CHEMIST MARSKE LIMITED
COMPANY REGISTRATION NUMBER 01346342

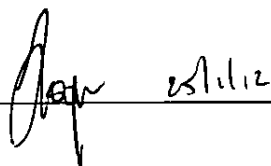
COMPANY BALANCE SHEET

31ST AUGUST 2011

	Note	2011		2010	
		£	£	£	£
FIXED ASSETS					
Tangible assets	13		42,373		60,254
Investments	14		<u>3,299,245</u>		<u>3,299,245</u>
			3,341,618		3,359,499
CURRENT ASSETS					
Stocks	15	217,943		240,047	
Debtors	16	343,520		396,711	
Cash at bank and in hand		<u>364,962</u>		<u>973,527</u>	
		926,425		1,610,285	
CREDITORS: Amounts falling due within one year	17	<u>2,845,861</u>		<u>3,411,422</u>	
NET CURRENT LIABILITIES			<u>(1,919,436)</u>		<u>(1,801,137)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,422,182		1,558,362
CREDITORS: Amounts falling due after more than one year	18		467,967		564,075
PROVISIONS FOR LIABILITIES					
Deferred taxation	19		<u>(1,907)</u>		<u>(3,635)</u>
			956,122		997,922
CAPITAL AND RESERVES					
Called-up equity share capital	23		100		100
Profit and loss account	24		<u>956,022</u>		<u>997,822</u>
SHAREHOLDERS' FUNDS			956,122		997,922

These financial statements were approved by the directors and authorised for issue on and are signed on their behalf by

Mr J Cooper
 Director



The notes on pages 14 to 30 form part of these financial statements

COOPERS CHEMIST MARSKE LIMITED

GROUP CASH FLOW

YEAR ENDED 31ST AUGUST 2011

	2011		2010 (restated)	
	£	£	£	£
NET CASH OUTFLOW FROM OPERATING ACTIVITIES		(374,684)		(165,850)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received	8,040		7,383	
Interest paid	(20,940)		(27,030)	
Dividends on shares classed as financial liabilities	<u>(20,000)</u>		<u>(20,000)</u>	
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(32,900)		(39,647)
TAXATION		(96,148)		(113,859)
CAPITAL EXPENDITURE				
Payments to acquire tangible fixed assets	(105,005)		(131,541)	
Receipts from sale of fixed assets	<u>-</u>		<u>11</u>	
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(105,005)		(131,530)
EQUITY DIVIDENDS PAID		(5,000)		(346,125)
CASH OUTFLOW BEFORE FINANCING		(613,737)		(797,011)
FINANCING				
(Repayment of)/increase in bank loans	(133,490)		281,221	
Net (outflow)/inflow from other short-term creditors	(36,809)		34,309	
Net (outflow)/inflow from other long-term creditors	<u>(6,455)</u>		<u>116,148</u>	
NET CASH (OUTFLOW)/INFLOW FROM FINANCING		(176,754)		431,678
DECREASE IN CASH		<u>(790,491)</u>		<u>(365,333)</u>

The notes on pages 14 to 30 form part of these financial statements

COOPERS CHEMIST MARSKE LIMITED

GROUP CASH FLOW

YEAR ENDED 31ST AUGUST 2011

RECONCILIATION OF OPERATING PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2011	2010 <i>(restated)</i>
	£	£
Operating profit	88,114	356,494
Amortisation	98,408	112,918
Depreciation	59,647	46,685
Loss on disposal of fixed assets	4	871
Decrease/(increase) in stocks	24,783	(47,136)
Increase in debtors	(222,139)	(847,867)
(Decrease)/increase in creditors	(423,501)	212,185
Net cash outflow from operating activities	<u>(374,684)</u>	<u>(165,850)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2011	2010 <i>(restated)</i>
	£	£
Decrease in cash in the period	(790,491)	(365,333)
Net cash outflow from/(inflow) from bank loans	133,490	(281,221)
Net outflow from/(inflow) from other short-term creditors	36,809	(34,309)
Net cash outflow from/(inflow) from other long-term creditors	<u>6,455</u>	<u>(116,148)</u>
	<u>(613,737)</u>	<u>(797,011)</u>
Change in net debt	(613,737)	(797,011)
Net funds at 1 September 2010	<u>130,553</u>	<u>927,564</u>
Net debt at 31 August 2011	<u>(483,184)</u>	<u>130,553</u>

The notes on pages 14 to 30 form part of these financial statements

COOPERS CHEMIST MARSKE LIMITED

GROUP CASH FLOW

YEAR ENDED 31ST AUGUST 2011

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Sep 2010 £	Cash flows £	At 31 Aug 2011 £
Net cash			
Cash in hand and at bank	<u>1,606,102</u>	<u>(790,491)</u>	<u>815,611</u>
Debt			
Debt due within 1 year	(371,497)	35,850	(335,647)
Debt due after 1 year	<u>(1,104,052)</u>	<u>140,904</u>	<u>(963,148)</u>
	<u>(1,475,549)</u>	<u>176,754</u>	<u>(1,298,795)</u>
Net debt	<u>130,553</u>	<u>(613,737)</u>	<u>(483,184)</u>

The notes on pages 14 to 30 form part of these financial statements

COOPERS CHEMIST MARSKE LIMITED
NOTES TO THE GROUP FINANCIAL STATEMENTS
YEAR ENDED 31ST AUGUST 2011

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, subject to the departures referred to below

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over 20 years from the year of acquisition. The results of the companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Turnover

Turnover represents the value of goods sold and services provided during the year net of discounts, returns and Value Added Tax.

For shop sales, turnover is recognised at the point of sale. For services provided, turnover is recognised to the extent that, and when, there is right to consideration.

Rental income is recognised in the period to which it relates.

Goodwill

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life up to a maximum of 20 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - 20 years straight line

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Short-term leasehold property	-	4% straight line
Leasehold property	-	10% straight line
Fixtures and fittings	-	10%/15%/20% straight line
Motor vehicles	-	25%/20% straight line
Other equipment	-	33%/25% straight line
Leasehold property alterations	-	4%/10% straight line

COOPERS CHEMIST MARSKE LIMITED
NOTES TO THE GROUP FINANCIAL STATEMENTS
YEAR ENDED 31ST AUGUST 2011

1. ACCOUNTING POLICIES *(continued)*

Investment properties

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with the SSAP19 which, unlike the Companies Act 2006, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

Stocks

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

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The group companies operate defined contribution pension schemes for employees. The assets of the schemes are held separately from those of the companies. The annual contributions payable are charged to the group profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

COOPERS CHEMIST MARSKE LIMITED
NOTES TO THE GROUP FINANCIAL STATEMENTS
YEAR ENDED 31ST AUGUST 2011

1. ACCOUNTING POLICIES *(continued)*

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the group. An analysis of turnover is given below.

	2011	2010 <i>(restated)</i>
	£	£
United Kingdom	<u>8,709,676</u>	<u>8,977,551</u>

3. OTHER OPERATING INCOME

	2011	2010 <i>(restated)</i>
	£	£
Rent receivable	11,717	6,000
Other operating income	<u>2,277</u>	<u>8,589</u>
	<u>13,994</u>	<u>14,589</u>

COOPERS CHEMIST MARSKE LIMITED
NOTES TO THE GROUP FINANCIAL STATEMENTS
YEAR ENDED 31ST AUGUST 2011

4. OPERATING PROFIT

Operating profit is stated after charging

	2011	2010 <i>(restated)</i>
	£	£
Amortisation of intangible assets	98,408	112,918
Depreciation of owned fixed assets	59,647	46,685
Loss on disposal of fixed assets	4	871
Operating lease costs		
- Plant and equipment	2,924	750
- Other	201,686	179,344
Auditor's remuneration - audit of the financial statements	14,900	17,950
Auditor's remuneration - other fees	<u>6,870</u>	<u>9,165</u>

Tait Walker LLP

	2011	2010 <i>(restated)</i>
	£	£
Auditor's remuneration - audit of the financial statements	<u>14,900</u>	<u>13,050</u>
Auditor's remuneration - other fees		
- Accountancy services	5,200	6,645
- Taxation services	1,670	2,520
	<u>6,870</u>	<u>9,165</u>

Proudlers Hiser & Co

	2011	2010 <i>(restated)</i>
	£	£
Auditor's remuneration - audit of the financial statements	<u>-</u>	<u>4,900</u>

COOPERS CHEMIST MARSKE LIMITED
NOTES TO THE GROUP FINANCIAL STATEMENTS
YEAR ENDED 31ST AUGUST 2011

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial year amounted to

	2011	2010 <i>(restated)</i>
	No	No
Sales and dispensing staff	55	55
Management and administration	13	13
	<u>68</u>	<u>68</u>

The aggregate payroll costs of the above were

	2011	2010 <i>(restated)</i>
	£	£
Wages and salaries	1,600,996	1,707,400
Social security costs	139,405	156,313
Other pension costs	55,457	57,127
	<u>1,795,858</u>	<u>1,920,840</u>

6. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2011	2010 <i>(restated)</i>
	£	£
Remuneration receivable	556,122	700,931
Value of company pension contributions to money purchase schemes	47,731	49,542
	<u>603,853</u>	<u>750,473</u>

Remuneration of highest paid director:

	2011	2010 <i>(restated)</i>
	£	£
Total remuneration (excluding pension contributions)	78,252	214,780
Value of company pension contributions to money purchase schemes	18,090	18,129
	<u>96,342</u>	<u>232,909</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2011	2010 <i>(restated)</i>
	No	No
Money purchase schemes	<u>9</u>	<u>9</u>

COOPERS CHEMIST MARSKE LIMITED
NOTES TO THE GROUP FINANCIAL STATEMENTS
YEAR ENDED 31ST AUGUST 2011

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2011	2010 <i>(restated)</i>
	£	£
Interest payable on bank borrowing	15,673	19,907
Other similar charges payable	25,267	27,123
	<u>40,940</u>	<u>47,030</u>

8. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2011		2010 <i>(restated)</i>	
	£	£	£	£
Current tax				
In respect of the year				
UK Corporation tax based on the results for the year at 26.83% (2010 - 26.89%)		34,306		94,642
(Over)/under provision in prior year		(11,763)		179
Total current tax		<u>22,543</u>		94,821
Deferred tax				
Origination and reversal of timing differences (note 19)				
Capital allowances	22,992		11,729	
Other	300		-	
Total deferred tax (note 19)		<u>23,292</u>		11,729
Tax on profit on ordinary activities		<u>45,835</u>		<u>106,550</u>

COOPERS CHEMIST MARSKE LIMITED
NOTES TO THE GROUP FINANCIAL STATEMENTS
YEAR ENDED 31ST AUGUST 2011

8. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 26.83% (2010 - 26.89%)

	2011	2010 <i>(restated)</i>
	£	£
Profit on ordinary activities before taxation	<u>55,214</u>	<u>316,847</u>
Profit on ordinary activities by rate of tax	14,814	85,221
Expenses not deductible for tax purposes	13,092	1,388
Capital allowances in excess of depreciation	(21,740)	(11,729)
Fixed assets ineligible depreciation	34,094	37,553
Tax chargeable at lower rates	(7,586)	(12,165)
Adjustments in respect of previous periods	(11,763)	179
Deferred tax underprovided	-	(3,082)
Other short term timing differences	(2,414)	-
Other permanent differences	4,046	(2,544)
Total current tax (note 8(a))	<u>22,543</u>	<u>94,821</u>

9. LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The loss dealt with in the financial statements of the parent company was £(41,800) (2010 - £91,822)

10 DIVIDENDS

Equity dividends

	2011	2010 <i>(restated)</i>
	£	£
Paid during the year		
Dividends on equity shares	<u>5,000</u>	<u>346,125</u>

Dividends on shares classed as financial liabilities

	2011	2010 <i>(restated)</i>
	£	£
Paid during the year		
Dividends on shares classed as financial liabilities	<u>20,000</u>	<u>20,000</u>

11. PRIOR YEAR ADJUSTMENT

In the financial statements of subsidiary undertaking, Clevechem Limited, the directors have re-evaluated the accounting treatment of the lease premium paid in respect of its new operating premises and, in accordance with recommended accounting practice, have restated the amount as a long term debtor to be written off over the life of the lease as opposed to inclusion in the balance sheet as a fixed asset

COOPERS CHEMIST MARSKE LIMITED
NOTES TO THE GROUP FINANCIAL STATEMENTS
YEAR ENDED 31ST AUGUST 2011

12. INTANGIBLE FIXED ASSETS

Group	Goodwill £
COST	
At 1st September 2010 and 31st August 2011	<u>3,022,819</u>
AMORTISATION	
At 1st September 2010	1,048,040
Charge for the year	<u>98,408</u>
At 31st August 2011	<u>1,146,448</u>
NET BOOK VALUE	
At 31st August 2011	<u>1,876,371</u>
At 31st August 2010	<u>1,974,779</u>

13. TANGIBLE FIXED ASSETS

Group	Investment property	Alterations to leasehold property	Fixtures and fittings	Motor vehicles	Other equipment	Total
	£	£	£	£	£	£
COST						
At 1 Sep 2010	57,824	96,428	311,842	58,672	6,249	531,015
Additions	–	–	95,164	9,841	–	105,005
Disposals	–	–	(69,581)	–	(1,032)	(70,613)
At 31 Aug 2011	<u>57,824</u>	<u>96,428</u>	<u>337,425</u>	<u>68,513</u>	<u>5,217</u>	<u>565,407</u>
DEPRECIATION						
At 1 Sep 2010	–	69,891	148,995	24,300	6,048	249,234
Charge for the year	–	9,750	34,015	15,689	193	59,647
On disposals	–	–	(69,577)	–	(1,032)	(70,609)
At 31 Aug 2011	<u>–</u>	<u>79,641</u>	<u>113,433</u>	<u>39,989</u>	<u>5,209</u>	<u>238,272</u>
NET BOOK VALUE						
At 31 Aug 2011	<u>57,824</u>	<u>16,787</u>	<u>223,992</u>	<u>28,524</u>	<u>8</u>	<u>327,135</u>
At 31 Aug 2010	<u>57,824</u>	<u>26,537</u>	<u>162,847</u>	<u>34,372</u>	<u>201</u>	<u>281,781</u>

The investment property has been revalued by the director, Mr J Cooper. His valuation is based on local property values.

COOPERS CHEMIST MARSKE LIMITED
NOTES TO THE GROUP FINANCIAL STATEMENTS
YEAR ENDED 31ST AUGUST 2011

13. TANGIBLE FIXED ASSETS *(continued)*

Company	Alterations to leasehold property £	Fixtures and fittings £	Motor vehicles £	Total £
COST				
At 1st September 2010	84,602	70,925	45,434	200,961
Additions	–	999	9,841	10,840
Disposals	–	(8,911)	–	(8,911)
At 31st August 2011	84,602	63,013	55,275	202,890
DEPRECIATION				
At 1st September 2010	69,581	52,170	18,956	140,707
Charge for the year	9,336	5,567	13,818	28,721
On disposals	–	(8,911)	–	(8,911)
At 31st August 2011	78,917	48,826	32,774	160,517
NET BOOK VALUE				
At 31st August 2011	5,685	14,187	22,501	42,373
At 31st August 2010	15,021	18,755	26,478	60,254

14. INVESTMENTS

Group	Other investments £
COST	
At 1st September 2010 and 31st August 2011	<u>2,200</u>
NET BOOK VALUE	
At 31st August 2011 and 31st August 2010	<u>2,200</u>

Country of incorporation	Proportion of voting rights and shares held	Nature of business
Subsidiary undertakings		
Coopers Chemist Gt Ayton Limited	England Ordinary shares	50% Dispensing chemist
Coopers Chemist Redcar Limited	England Ordinary shares	100% Dispensing chemist
Park Avenue Pharmacy Limited	England Ordinary shares	100% Dispensing chemist
Clevechem Limited	England Ordinary shares	54% Dispensing chemist

COOPERS CHEMIST MARSKE LIMITED
NOTES TO THE GROUP FINANCIAL STATEMENTS
YEAR ENDED 31ST AUGUST 2011

14. INVESTMENTS *(continued)*

Company	Group companies £	Other investments £	Total £
COST			
At 1st September 2010 and 31st August 2011	<u>3,297,045</u>	<u>2,200</u>	<u>3,299,245</u>
NET BOOK VALUE			
At 31st August 2011 and 31st August 2010	<u>3,297,045</u>	<u>2,200</u>	<u>3,299,245</u>

15. STOCKS

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Stock	<u>657,973</u>	<u>682,756</u>	<u>217,943</u>	<u>240,047</u>

16. DEBTORS

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Trade debtors	965,651	(restated) 951,523	190,282	210,526
Amounts owed by group undertakings	–	–	128,908	141,150
Corporation tax repayable	–	–	4,431	–
VAT recoverable	150,345	151,971	18,551	37,959
Prepayments and accrued income	1,032,068	822,431	1,348	7,076
	<u>2,148,064</u>	<u>1,925,925</u>	<u>343,520</u>	<u>396,711</u>

The debtors above include the following amounts falling due after more than one year

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Amounts owed by group undertakings	–	–	128,189	116,757
Other debtors	969,239	746,967	–	–
	<u>969,239</u>	<u>746,967</u>	<u>128,189</u>	<u>116,757</u>

COOPERS CHEMIST MARSKE LIMITED
NOTES TO THE GROUP FINANCIAL STATEMENTS
YEAR ENDED 31ST AUGUST 2011

17. CREDITORS: Amounts falling due within one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans	135,626	134,667	96,097	94,667
Trade creditors	1,166,923	1,203,570	268,072	312,876
Amounts owed to group undertakings	–	–	1,998,598	2,157,476
Directors' loan accounts	112,227	305,314	112,227	259,189
Corporation tax	21,038	94,643	–	14,059
PAYE and social security	55,790	90,019	29,788	63,555
Shares classed as financial liabilities	200,000	200,000	200,000	200,000
Other creditors	21	36,830	–	–
Accruals and deferred income	222,131	381,669	141,079	309,600
	<u>1,913,756</u>	<u>2,446,712</u>	<u>2,845,861</u>	<u>3,411,422</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans	<u>135,626</u>	<u>134,667</u>	<u>96,097</u>	<u>94,667</u>

18. CREDITORS: Amounts falling due after more than one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans and overdrafts	764,138	898,587	467,967	564,075
Other creditors	199,010	205,465	–	–
	<u>963,148</u>	<u>1,104,052</u>	<u>467,967</u>	<u>564,075</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans and overdrafts	<u>764,138</u>	<u>898,587</u>	<u>467,967</u>	<u>564,075</u>

COOPERS CHEMIST MARSKE LIMITED
NOTES TO THE GROUP FINANCIAL STATEMENTS
YEAR ENDED 31ST AUGUST 2011

18. CREDITORS: Amounts falling due after more than one year *(continued)*

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans and overdrafts	<u>199,591</u>	<u>345,402</u>	<u>68,843</u>	<u>170,890</u>

Parent company bank borrowings are secured over the whole assets of the company. Repayment is made by instalment, commencing in 2007, over a period of 10 years. Interest is charged at 1% above the bank's base rate.

The borrowings of the subsidiary undertaking, Clevechem Limited, are secured by a legal charge dated 21st December 2009 in favour of Alliance & Leicester plc on the leasehold property known as The Pharmacy, Redcar Primary Care Centre, West Dyke Road, Redcar. There is also a debenture dated 21st December 2009 in favour of Alliance & Leicester plc with a fixed and floating charge over the assets of the company. Alliance & Leicester plc is now part of the Santander Group. Repayment is made by instalment, commencing December 2009, over a period of 10 years. Interest is charged at 1.5% over the bank's base rate.

19. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Provision/Asset brought forward	16,239	4,510	(3,635)	(1,978)
Increase/(Decrease) in provision	<u>23,292</u>	<u>11,729</u>	<u>1,728</u>	<u>(1,657)</u>
Provision/Asset carried forward	<u>39,531</u>	<u>16,239</u>	<u>(1,907)</u>	<u>(3,635)</u>

The group's provision for deferred taxation consists of the tax effect of timing differences in respect of

Group	2011		2010	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	43,431	-	20,439	-
Other timing differences	<u>(3,900)</u>	<u>-</u>	<u>(4,200)</u>	<u>-</u>
	<u>39,531</u>	<u>-</u>	<u>16,239</u>	<u>-</u>

COOPERS CHEMIST MARSKE LIMITED
NOTES TO THE GROUP FINANCIAL STATEMENTS
YEAR ENDED 31ST AUGUST 2011

19. DEFERRED TAXATION *(continued)*

The company's provision for deferred taxation consists of the tax effect of timing differences in respect of

Company	2011		2010	
	Provided £	Unprovided £	Provided £	Unprovided £
Excess of taxation allowances over depreciation on fixed assets	<u>(1,907)</u>	<u>-</u>	<u>(3,635)</u>	<u>-</u>

20. COMMITMENTS UNDER OPERATING LEASES

At 31st August 2011 the group had annual commitments under non-cancellable operating leases as set out below

Group	2011		2010	
	Land and buildings £	Other items £	Land and buildings (restated) £	Other items £
Operating leases which expire				
Within 1 year	4,900	2,507	-	2,507
Within 2 to 5 years	24,250	3,120	24,250	3,120
After more than 5 years	135,394	-	137,894	-
	<u>164,544</u>	<u>5,627</u>	<u>162,144</u>	<u>5,627</u>

At 31st August 2011 the company had annual commitments under non-cancellable operating leases as set out below

Company	2011		2010	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire				
Within 2 to 5 years	24,250	3,120	24,250	3,120
After more than 5 years	34,794	-	35,794	-
	<u>59,044</u>	<u>3,120</u>	<u>60,044</u>	<u>3,120</u>

COOPERS CHEMIST MARSKE LIMITED
NOTES TO THE GROUP FINANCIAL STATEMENTS
YEAR ENDED 31ST AUGUST 2011

21. TRANSACTIONS WITH THE DIRECTORS

Details of transactions during the year involving directors of group companies are as follows

Group companies paid rent totalling £35,794 (2010 - £35,794) to a Trust for whom the beneficiary is Mrs S Cooper

The parent undertaking paid rent totalling £17,000 (2010 - £9,917) on a property jointly owned by Mr J Cooper and Mrs L Cooper

Mrs L Cooper and Mrs J Cooper, each received £12,800 (2010 - £12,800) from group companies as payment for property rent

During the year, group companies paid locum fees amounting to £14,667 (2010 - £10,056) to Mrs S Ramsden, the wife of a director of a subsidiary undertaking

The parent undertaking received rent totalling £5,717 (2010 - £nil) on a property jointly owned by Mr J Cooper and Mrs L Cooper

All transactions were conducted on normal commercial terms

COOPERS CHEMIST MARSKE LIMITED
NOTES TO THE GROUP FINANCIAL STATEMENTS
YEAR ENDED 31ST AUGUST 2011

22. RELATED PARTY TRANSACTIONS

During the year, group companies paid consultancy fees totalling £nil (2010 - £nil) to Scott Chem Limited, a company which has a beneficial interest in subsidiary undertaking Clevechem Limited

Other creditors, amounts falling due after more than one year, includes £199,010 (2010 - £227,181) due to Scott Chem Limited

The balances on the directors' current accounts, included in other creditors, at the year end were as follows

	2011	2010 <i>(restated)</i>
	£	£
Mr J Cooper	102,459	150,299
Mr D W Cooper	11,589	110,736
Mrs L Cooper	-	22,140
Mrs J Cooper	-	22,140
	<u>114,048</u>	<u>305,315</u>

During the year, group companies paid dividends totalling £25,000 (2010 - £366,126) to the directors as follows

	2011	2010 <i>(restated)</i>
	£	£
On ordinary shares		
Mr J Cooper	-	153,923
Mr D W Cooper	-	144,923
Mrs L Cooper	-	22,140
Mrs J Cooper	-	22,140
Mrs S Cooper	-	3,000
Mr J Larvin	5,000	-
On preference shares		
Mrs S Cooper	20,000	20,000
	<u>25,000</u>	<u>366,126</u>

23. SHARE CAPITAL

Authorised share capital:

	2011	2010 <i>(restated)</i>
	£	£
5,000 Ordinary shares of £1 each	5,000	5,000
200,000 10% Preference shares of £1 each	200,000	200,000
	<u>205,000</u>	<u>205,000</u>

COOPERS CHEMIST MARSKE LIMITED
NOTES TO THE GROUP FINANCIAL STATEMENTS
YEAR ENDED 31ST AUGUST 2011

23. SHARE CAPITAL *(continued)*

Allotted, called up and fully paid:

	2011		2010 <i>(restated)</i>	
	No	£	No	£
100 Ordinary shares of £1 each	100	100	100	100
200,000 10% Preference shares of £1 each				
	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
	<u>200,100</u>	<u>200,100</u>	<u>200,100</u>	<u>200,100</u>

Amounts presented in equity:

	2011	2010 <i>(restated)</i>
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Amounts presented in liabilities:

	2011	2010 <i>(restated)</i>
	£	£
200,000 10% Preference shares of £1 each	<u>200,000</u>	<u>200,000</u>

Preference shares pay an annual dividend of 10%. Preference shareholders do not have any voting rights. In the event of liquidation, the surplus assets available to the company's members after payment of all liabilities will be paid to preference shareholders ahead of ordinary shareholders.

24. RESERVES

Group	Share premium account £	Profit and loss account <i>(restated)</i> £
Balance brought forward as previously reported	237,190	2,050,422
Prior year adjustment (note 11)	–	(52)
Restated balance as at 1 September 2010	<u>237,190</u>	<u>2,050,370</u>
Loss for the year	–	(15,743)
Equity dividends	–	(5,000)
Balance carried forward	<u>237,190</u>	<u>2,029,627</u>

COOPERS CHEMIST MARSKE LIMITED
NOTES TO THE GROUP FINANCIAL STATEMENTS
YEAR ENDED 31ST AUGUST 2011

24. RESERVES *(continued)*

Company	Profit and loss account £
Balance brought forward as previously reported	997,822
Loss for the year	<u>(41,800)</u>
Balance carried forward	<u>956,022</u>

25. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £	2010 <i>(restated)</i> £
(Loss)/Profit for the financial year	(15,743)	197,413
Equity dividends	<u>(5,000)</u>	<u>(346,125)</u>
Net reduction to shareholders' funds	(20,743)	(148,712)
Opening shareholders' funds	2,287,712	2,436,372
Prior year adjustment (see note 11)	<u>(52)</u>	-
Closing shareholders' funds	<u>2,266,917</u>	<u>2,287,660</u>

26. ULTIMATE CONTROLLING PARTY

The group is ultimately controlled by Mr J Cooper who is a director and majority shareholder in the parent company