

Statim Finance Limited
Directors' report and financial statements
for the year ended 31 December 2006

Registered no 1865147

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Statim Finance Limited

Directors' report and financial statements for the year ended 31 December 2006

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Statim Finance Limited

Directors' report for the year ended 31 December 2006

The directors present their report and the audited financial statements of the company for the year ended 31 December 2006

Results

Details of the results for the financial year are set out in the profit and loss account on page 5

Principal activities

The principal activity of the company during the period was the arrangement of finance and loan guarantees for pharmacists

Review of business and future developments

The directors are satisfied with the performance of Statim Finance Limited during the year. In particular, the turnover generated in 2006 developed sufficiently to cover overhead and employment costs that were incurred in connection with the activities of the business.

On 1 October 2006, the company transferred the business, interests and certain undertakings of Statim Finance to AAH Pharmaceuticals Limited. The company had no further trading activity with effect from that date.

Given the factors above, the company's directors are of the opinion that any further analysis of key performance indicators of the company is not necessary for an understanding of the development of the performance or position of the company.

Dividends

The directors do not recommend the payment of a final dividend (2005 £nil). An interim dividend of £5,612,581 was paid during the year (2005 £nil).

Political and charitable contributions

Charitable contributions of £nil were made during the year (2005 £nil). No political contributions were made (2005 £nil).

Statim Finance Limited

Directors' report for the year ended 31 December 2006 (continued)

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and interest rate risk. The company has operated a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department. The department has a policy and procedures manual that sets out specific guidelines to manage the risks described above and the circumstances where it would be appropriate to use financial instruments to manage these.

Credit risk the company has limited risk since all new pharmacy loan guarantees are now provided by AAH Pharmaceuticals Limited. It has nevertheless followed policies to ensure that there is limited credit risk on sales of its services.

Liquidity risk the company participates in the banking arrangements of the UK group. It has a mix of long-term and short-term debt finance that is designed to ensure that the company has sufficient funds for its day to day operations and other activities.

Interest rate cash flow risk the company has both interest bearing assets and liabilities. The former include balances which earn interest at a variable rate. Interest on liabilities is also charged at a variable rate. The directors periodically revisit the appropriateness of these policies.

Directors

The directors of the company, all of whom have been directors for the whole of the year ended 31 December 2006 except where otherwise stated, were as follows:

K Nicholls
I Davidson
S R Dunn

In accordance with the Articles of Association, none of the directors are required to retire at the annual general meeting.

Directors' interests

According to the register kept under section 325 of the Companies Act 1985, no director had a notifiable interest in the shares of the company or other group companies at any time during the year. As permitted, the register does not contain details of directors' interests in parent undertakings which are incorporated outside Great Britain.

None of the directors had a material interest in any contracts with group companies.

Statim Finance Limited

Directors' report for the year ended 31 December 2006 (continued)

Statement of directors' responsibilities

The directors are required by UK Company Law to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently in the preparation of the financial statements. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2006 and that applicable accounting standards have been followed.

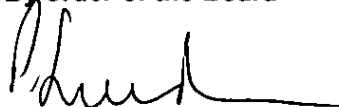
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each person who is a director at the date of approval of this report confirms the following: so far as each director is aware: (a) there is no relevant audit information - that is information needed by the company's auditors in connection with preparing their report - of which the company's auditors are unaware and (b) the director has taken all the steps necessary 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. This confirmation is given and should be interpreted in accordance with the provision of section 234ZA of the Companies Act 1985.

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board



P Smerdon
Secretary

12 March 2007

Independent Auditors' Report to the members of Statim Finance Limited

We have audited the financial statements of Statim Finance Limited for the year ended 31 December 2006 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the directors' report is not consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

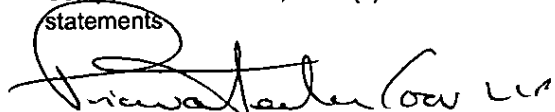
Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion (a) the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 31 December 2006 and of its profit for the year then ended, (b) the financial statements have been properly prepared in accordance with the Companies Act 1985, and (c) the information given in the directors' report is consistent with the financial statements.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Birmingham

12 March 2007

Statim Finance Limited

Profit and loss account for the year ended 31 December 2006

	Notes	2006 £'000	2005 £'000
Turnover			
Discontinued operations	3	<u>292</u>	<u>471</u>
Gross profit		292	471
Administrative expenses		(175)	(334)
Other operating income		<u>-</u>	<u>1</u>
		117	138
Operating profit			
Discontinued operations		<u>117</u>	<u>138</u>
Interest receivable	6	117	85
Profit on ordinary activities before taxation	7	<u>234</u>	<u>223</u>
Tax on profit on ordinary activities	8	(70)	(71)
Profit for the financial year	15	<u><u>164</u></u>	<u><u>152</u></u>

The company has no recognised gains and losses other than those included in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented

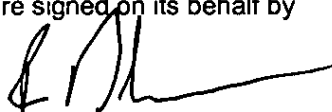
There is no material difference between the results above and the results on an unmodified historical cost basis

Statim Finance Limited

Balance sheet at 31 December 2006

	Notes	2006 £'000	2005 £'000
Current assets			
Debtors			
Amounts falling due within one year	10	1,000	6,563
Amounts falling due after more than one year	10	-	2
		<u>1,000</u>	<u>6,565</u>
Creditors' amounts falling due within one year	11	-	(116)
Net current assets		<u>1,000</u>	<u>6,449</u>
Total assets less current liabilities		1,000	6,449
Net assets		<u>1,000</u>	<u>6,449</u>
Capital and reserves			
Called-up share capital	14	1,000	1,000
Profit and loss account	15	-	5,449
Equity shareholders' funds	16	<u>1,000</u>	<u>6,449</u>

The financial statements on pages 5 to 14 were approved by the board of directors on 12 March 2007 and were signed on its behalf by



I Davidson
Director
12 March 2007

Statim Finance Limited

Notes to the financial statements for the year ended 31 December 2006

1 Principal accounting policies

The financial statements have been prepared on the going concern basis and under the historical cost convention in accordance with the Companies Act 1985 and applicable accounting standards. Set out below is a summary of the principal accounting policies, which have been applied consistently except where stated.

Turnover

Turnover comprises the sale of services at invoice value, before value added tax.

Taxation

The charge for taxation is based on the result for the year and deferred taxation has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more tax in the future, or a right to pay less tax in the future. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain. Deferred tax liabilities are recognised in full. Deferred tax liabilities and assets are not discounted.

Debtors

Provision is made for any expected losses on loans arising from guarantees that have been, or are expected to be, cancelled.

Leased assets

Rental costs under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Pensions

The company contributes to group pension schemes operated by AAH Limited. Contributions to the defined benefit schemes are determined by a professionally qualified actuary and are based on pension costs across the group as a whole. With regard to these group schemes it is not possible to determine the company's share of the underlying assets and liabilities. The related pension charges are therefore disclosed on a defined contribution basis. Further details are given in note 13 to the financial statements.

Dividends

In preparing the financial statements for the current year, the company has adopted Financial Reporting Standard 25. The effect of this change in policy is that distributions to holders of an equity instrument are now debited directly to equity net of any related income tax benefit, rather than booked through the profit and loss account.

The equity dividends paid for the prior period have been accounted for directly in reserves and are therefore not shown on the face of the profit and loss account (as in the financial statements prepared for the prior year). The equity dividends paid in the current period have been debited directly to equity.

Statim Finance Limited

2 Cash flow statement and related party disclosure

The company is a wholly owned subsidiary of Celesio AG, a company registered in Germany, and is included in the financial statements of Celesio AG, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996)

The company has not disclosed transactions with fellow group companies, in accordance with the exemption under the terms of Financial Reporting Standard 8

3 Turnover

Turnover consists entirely of fees and commissions earned in the United Kingdom

4 Directors' emoluments

	2006 £'000	2005 £'000
Aggregate emoluments	<u>70</u>	<u>82</u>

The emoluments of Mr Davidson and Mr Dunn are paid by a fellow group company (AAH Pharmaceuticals Limited) which makes no recharge to the company. Mr Davidson and Mr Dunn are directors of a number of group companies and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly no emoluments in respect of Mr Davidson and Mr Dunn are disclosed.

Emoluments for Mr Davidson and Mr Dunn are included in the aggregate of directors' emoluments disclosed in the financial statements of AAH Pharmaceuticals Limited.

The value of company contributions paid to a defined contribution scheme in respect of directors in 2006 was £8,000 (2005 £nil). Retirement benefits are accruing to one director under this money purchase scheme (2005 no directors). Retirement benefits are accruing to two directors under a defined benefit scheme (2005 three directors).

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5 Employee information

The average weekly number of persons (including executive directors) employed during the year was

	2006	2005
By function		
Administration	<u>5</u>	<u>6</u>

Staff costs (£'000)

Wages and salaries	119	217
Social security costs	13	24
Other pension costs (see note 13)	<u>6</u>	<u>15</u>
	<u>138</u>	<u>256</u>

6 Interest receivable

	2006 £'000	2005 £'000
Interest receivable		
Other interest	<u>117</u>	<u>85</u>

7 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging / (crediting) the following

	2006 £'000	2005 £'000
Reduction in bad debt provision	(11)	-
Operating lease rentals		
Motor vehicles	<u>17</u>	<u>17</u>

The auditors' remuneration was borne by AAH Pharmaceuticals Limited

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8 Tax on profit on ordinary activities

	2006 £'000	2005 £'000
UK corporation tax at 30% (2005 30%)	<u>70</u>	<u>71</u>

The reconciliation of the current tax charge is as follows

Profit before tax multiplied by full UK corporation tax rate of 30% (2005 30%)	70	67
Expenses not deductible for tax purposes		
Permanent differences	-	4
	<u>70</u>	<u>71</u>

9 Dividends

	2006 £'000	2005 £'000
Interim dividend paid (see note 15)	<u>5,613</u>	<u>-</u>

10 Debtors

	2006 £'000	2005 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	<u>1,000</u>	<u>6,563</u>
Amounts falling due after more than one year:		
Deferred taxation (see note 12)	<u>-</u>	<u>2</u>

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11 Creditors

	2006 £'000	2005 £'000
Amounts falling due within one year:		
Bank overdraft	-	45
Corporation tax payable	-	71
	<u>-</u>	<u>116</u>

The bank overdraft is part of a group facility under which subsidiaries of Admenta UK plc, the ultimate parent company in the UK, provide cross guarantees for bank overdrafts operated by other UK companies within the group

12 Deferred taxation

The movements in the year in the deferred tax (asset) / provision are as follows

	2006 £'000	2005 £'000
At 1 January	(2)	(2)
Transfer of business (see note 20)	<u>2</u>	<u>-</u>
At 31 December	<u>-</u>	<u>(2)</u>

The deferred taxation asset recognised in the financial statements within debtors falling due after more than one year is as follows

	2006 £'000	2005 £'000
Accelerated capital allowances	<u>-</u>	<u>(2)</u>

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13 Pension obligations

The company participates in group pension schemes operated by AAH Limited, one of which is defined benefit and one defined contribution. All of the schemes are funded and constituted as independently administered funds with their assets being held separately from those of the company. The funds relating to the defined benefit scheme are valued every year for FRS 17 disclosure purposes by a professionally qualified, independent actuary, the rates of contribution payable being determined by the actuary. The latest actuarial assessment of the scheme was as at 31 December 2006. Particulars of the valuation are contained in the accounts of AAH Limited.

There were no amounts accrued in respect of pension scheme contributions at the balance sheet date (2005: £nil). The pension charge for the year was £6,000 (2005: £15,000).

The company provides no other post-retirement benefits to its employees.

With regard to these group schemes it is not possible to determine the company's share of the underlying assets and liabilities. The related pension charges are therefore disclosed on a defined contribution basis.

14 Called-up share capital

	2006 £'000	2005 £'000
Authorised, allotted, called up and fully paid		
1,000,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

15 Reserves

	Profit and loss account £'000
At 1 January 2006	5,449
Profit for the financial year	164
Dividends (see note 9)	<u>(5,613)</u>
Retained (loss) / profit for the financial year	<u>(5,449)</u>
At 31 December 2006	<u><u>-</u></u>

Statim Finance Limited

16 Reconciliation of movements in shareholders' funds

	2006 £'000	2005 £'000
Profit for the financial year	164	152
Dividends	(5,613)	-
Retained (loss) / profit for the financial year	(5,449)	152
Opening shareholders' funds	6,449	6,297
Closing shareholders' funds	1,000	6,449

17 Financial commitments

At 31 December 2006 the company had annual commitments under non-cancellable operating leases as follows

	31 December 2006		31 December 2005	
	Land and Buildings £'000	Other £'000	Land and Buildings £'000	Other £'000
Expiring within one year	-	-	-	17

18 Capital commitments

The company had no capital commitments at 31 December 2006 (2005 £nil)

19 Contingent liabilities

	2006 £'000	2005 £'000
Guarantees of bank indebtedness	-	266

This represents guarantees given to Barclays Bank plc in respect of loans to pharmacists. In the opinion of the directors no liability is expected to arise under these guarantees

Statim Finance Limited

20 Disposal of business

The business and certain undertakings of the company were transferred to AAH Pharmaceuticals Limited on 1 October 2006. The undertakings were transferred on that date at net book and fair value as follows

Undertakings transferred to AAH Pharmaceuticals Limited

	£'000
Trade debtors	67
Provision against trade debtors	(67)
Bank overdraft	(45)
Accruals and deferred income	(1)
Deferred taxation	2
Corporation tax	(70)
Amounts owed to group undertakings	6,398
	<u>6,284</u>
Profit on disposal	-
Consideration satisfied by group borrowings	<u>6,284</u>

The liability of the company for guarantees of bank indebtedness of £62,000 (see note 19 above) was also transferred to AAH Pharmaceuticals Limited

21 Ultimate parent undertaking and ultimate controlling party

The immediate parent undertaking is AAH Subsidiaries Limited. The company's ultimate parent undertaking and controlling party is Franz Haniel & Cie GmbH, a company registered in Germany, by virtue of its majority shareholding in the intermediate parent Celesio AG and its consolidation of the Celesio AG Group results into its own consolidated financial statements.

Consolidated financial statements for the largest group of undertakings including the company are prepared by Franz Haniel & Cie GmbH and may be obtained from Franz Haniel Platz 1, D-47119 Duisburg, Ruhrort, Germany.

Consolidated accounts for the smallest group of companies are prepared by Celesio AG and may be obtained from Celesio AG, Neckartalstrasse 155, D-70376 Stuttgart, Germany.