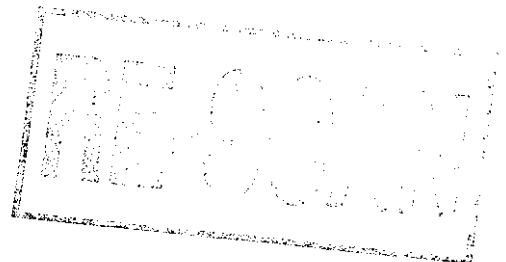
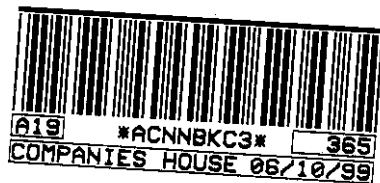


**Statim Finance Limited**  
**Directors' Report and Financial Statements**  
**for the year ended 31 December 1998**

Registered no: 1865147



7.10.99  
344

# **Statim Finance Limited**

## **Annual Report for the year ended 31 December 1998**

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Report of the auditors	4
Profit and loss account	5
Balance sheet	6
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# **Statim Finance Limited**

## **Directors' report for the year ended 31 December 1998**

The directors present their report and the audited financial statements for the year ended 31 December 1998.

### **Results**

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

### **Principal activities**

The company's principal activity continues to be the arrangement of finance and loan guarantees for pharmacists.

### **Review of business and future prospects**

Both the level of business and the year end financial position were considered satisfactory. The directors foresee no material change in the company's operations.

### **Dividends**

The directors propose the payment of a final dividend of £500,000 (1997: £Nil). No interim dividend was paid during the year (1997: £Nil).

### **Directors**

The directors of the company during the year ended 31 December 1998, all of whom have been directors for the whole of the year, except where otherwise stated, were as follows:

R N Andrews  
G A Kershaw  
S M Meister \*  
R C H Vizard  
M A Ward

\* On 1 January 1999, Mr S Meister resigned and Mr G Mischke was appointed director.

In accordance with the Articles of Association, none of the directors is required to retire at the Annual General Meeting.



# Statim Finance Limited

## Directors' interests

No director had any interest in the ordinary shares of the company or was beneficially interested in the issued share capital of any other company in the Group or of the parent undertakings, GEHE AG and Franz Haniel & Cie GmbH, or had any material interest in any contracts with group companies, at any time during the year.

## Impact of Year 2000

The directors are aware of the Year 2000 issue and are taking steps to address it fully. A Year 2000 steering group was formed at the beginning of 1998 in order to co-ordinate better the compliance effort within the Group. It is not practical to apportion time spent on the project on an individual entity basis.

The compliance task has been divided into three elements. The first element is the assessment of existing systems and hardware to determine whether or not they are compliant. This stage is followed by the planning and performance of necessary rectification work. Finally the third element is the testing, quality assurance and sign off of any work required. Implicit within the assessment process has been a grading of systems to determine whether or not they are critical to the business. Maximum effort is being directed towards those systems that are business critical.

Given the complexity of the problem, it is not possible for any organisation to guarantee that no Year 2000 problems will remain. However the Board believes that an acceptable state of readiness will be achieved. The costs associated with ensuring compliance are both capital and revenue in their nature. All revenue costs have been charged to the profit and loss account as incurred and no provision for future revenue costs has been included within the accounts. Where appropriate, costs of hardware and third party software have been capitalised and will be depreciated over the normal term. In all cases items capitalised are in accordance with existing criteria and do not include costs associated solely with ensuring Year 2000 compliance. Wherever possible the costs of compliance have been mitigated by incorporating necessary work into current capital and system replacement programmes.

Since the compliance programme has been integrated with ongoing business projects it is not practical to identify separately the costs involved. On a Group basis time spent on Year 2000 related activities in 1998 has been assessed at 13.4 man years. Plans and estimates for 1999 anticipate a further 13.4 man years of work will be required. The assessment for 1999 is considered to be very prudent and has a significant contingency element built in. Adequate resources are considered to be available to complete the work programme in time.

# Statim Finance Limited

## Impact of the Euro

An initial assessment of the impact of the Euro on the Group has been performed except in the Republic of Ireland where there has been an ongoing programme of work to deal with its introduction.

Within the United Kingdom this assessment established that little immediate work was required during 1998 and accordingly no significant costs were borne during the year.

## 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 as at the end of the financial year and of the profit or loss of the company for that period.


The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 1998. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## Auditors

On 1 July 1998, the company's auditors Coopers & Lybrand merged with Price Waterhouse, and the directors appointed the new firm, PricewaterhouseCoopers, as auditors. A resolution to reappoint the auditors, PricewaterhouseCoopers, will be proposed at the annual general meeting.

## By order of the Board



J.R.B. Davies  
Secretary  
24 March 1999

# Statim Finance Limited

## Report of the auditors to the members of Statim Finance Limited

We have audited the financial statements on pages 5 to 14 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 and 8.

### Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report, including as described on page 3 the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

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. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

### Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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, the financial statements give a true and fair view of the state of the company's affairs at 31 December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*PricewaterhouseCoopers*

PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
Birmingham

29 March 1999

# Statim Finance Limited

## Profit and loss account for the year ended 31 December 1998

		Year ended 31 December 1998 £'000	Year ended 31 December 1997 £'000
	Notes		
Turnover	2	1,128	1,063
Administrative expenses		<u>233</u>	<u>(525)</u>
Operating profit		1,361	538
Net interest receivable	6	<u>155</u>	<u>149</u>
Profit on ordinary activities before taxation	5	1,516	687
Taxation	7	<u>(457)</u>	<u>(229)</u>
Profit for the year after taxation		1,059	458
Dividends	8	<u>(500)</u>	-
Retained profit for the year	14	<u><u>559</u></u>	<u><u>458</u></u>

All of the above results arise from continuing operations.

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.

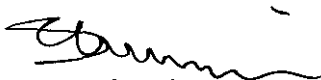
There is no material difference between the profit on ordinary activities before taxation and the retained profit for the period stated above, and their historical cost equivalents.

# Statim Finance Limited

## Balance sheet at 31 December 1998

	Notes	1998 £'000	1997 £'000
<b>Fixed assets</b>			
Tangible assets	9	2	4
<b>Current assets</b>			
Debtors:			
Amounts falling due within one year	10	2,244	977
Cash at bank and in hand		<u>2,538</u>	<u>1,817</u>
		4,782	2,794
<b>Creditors: amounts falling due within one year</b>	11	(2,405)	(978)
<b>Net current assets</b>		<u>2,377</u>	<u>1,816</u>
<b>Net assets</b>		<u>2,379</u>	<u>1,820</u>
<b>Capital and reserves</b>			
Called-up share capital	13	1,000	1,000
Profit and loss account	14	1,379	820
<b>Equity shareholders' funds</b>	15	<u>2,379</u>	<u>1,820</u>

The financial statements on pages 5 to 14 were approved by the board of directors on 24 March 1999 and were signed on its behalf by:

  
R.C.H. Vizard  
Director



# **Statim Finance Limited**

## **Notes to the financial statements for the year ended 31 December 1998**

### **1 Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention.

#### **Debtors**

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

#### **Taxation**

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for accounting and taxation purposes. Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

#### **Tangible fixed assets**

Tangible fixed assets are stated at cost which comprise purchase cost together with any incidental expenses of acquisition.

Depreciation is calculated by reference to the expected lives of the assets concerned. The following rates are applied:

Plant and equipment	20%
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#### **Operating leases**

Operating lease costs are charged against trading profit on a straight line basis over the lease term.

#### **Turnover**

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

# **Statim Finance Limited**

## **Pensions**

The company participates in two pension schemes, one defined benefit and one defined contribution, operated by its immediate parent company, AAH plc. The assets of the schemes are independent of the company's and the group's finances. Contributions to the schemes are determined by a professionally qualified independent actuary. They are based upon pension costs across the group as a whole and are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The most recent actuarial valuation of the group's principal defined benefit scheme was carried out on 1 April 1997, particulars of which are disclosed in the financial statements of AAH plc.

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

## **Cash flow statement**

The company takes advantage of the exemption in FRS1 (revised) not to prepare a cashflow statement on the grounds that the company is a wholly owned subsidiary whose ultimate parent prepares consolidated financial statements which are publicly available.

## **Related party transactions**

The company has taken advantage of the exemption available in the Financial Reporting standard No. 8 not to disclose related party transactions which are eliminated on consolidation.

## **2 Turnover**

Turnover consists entirely of sales made in the United Kingdom.

# Statim Finance Limited

## 3 Directors' emoluments

	1998 £'000	1997 £'000
Aggregate emoluments	67	68
Compensation for loss of office	-	94
	<u>67</u>	<u>94</u>

Retirement benefits are accruing to one director under a defined benefit scheme.

The emoluments of Mr Meister and Mr Kershaw are paid by the parent company (AAH Subsidiaries Limited) which makes no recharge to the company. Mr Meister and Mr Kershaw are directors of the parent and a number of fellow subsidiaries 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 Meister and Mr Kershaw are disclosed. Their total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of AAH Subsidiaries Limited.

The emoluments of Mr Vizard are paid by the parent company (AAH Subsidiaries Limited). Mr Vizard's services to this company and to a number of fellow subsidiaries are of a non-executive nature and his emoluments are deemed to be wholly attributable to his services to the parent company. Accordingly, no emoluments in respect of Mr Vizard are disclosed.

## 4 Employee information

The average weekly number of persons (including executive directors) employed during the year was: 6 (1997:6)

Staff costs for the above persons were:

	1998 £'000	1997 £'000
Wages and salaries	204	274
Social security costs	17	18
Other pension costs	30	12
	<u>251</u>	<u>304</u>

# Statim Finance Limited

## 5 Profit on ordinary activities before taxation

	1998 £'000	1997 £'000
Profit on ordinary activities before taxation is stated after (crediting) / charging:		
Profit on sale of fixed assets	-	(5)
Credit to bad debt provision	(508)	-
Depreciation - tangible owned fixed assets	2	16
Auditors' remuneration for audit	5	5
Hire of motor vehicles - operating leases	16	5
	<u>          </u>	<u>          </u>

## 6 Net interest receivable

	1998 £'000	1997 £'000
Interest receivable		
Bank interest	144	121
Other	11	28
	<u>155</u>	<u>149</u>

## 7 Taxation

	1998 £'000	1997 £'000
UK corporation tax at 31% (1997: 31.5%)	457	230
Adjustment in respect of previous years	-	(1)
	<u>457</u>	<u>229</u>

## 8 Dividends

Final dividend proposed	<u>500</u>	<u>-</u>
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# Statim Finance Limited

## 9 Tangible fixed assets

	Plant and equipment £'000
<b>Cost</b>	
At 1 January and 31 December 1998	<u>11</u>
<b>Depreciation</b>	
At 1 January 1998	7
Charge for year	<u>2</u>
At 31 December 1998	<u>9</u>
<b>Net book value</b>	
At 31 December 1998	<u>2</u>
At 31 December 1997	<u>4</u>

## 10 Debtors

	1998 £'000	1997 £'000
<b>Amounts falling due within one year:</b>		
Trade debtors	1,235	920
Amounts owed by parent and fellow subsidiaries	1,000	-
Group relief receivable	-	1
Other debtors	-	47
Prepayments and accrued income	9	9
	<u>2,244</u>	<u>977</u>

# Statim Finance Limited

## 11 Creditors: amounts falling due within one year

	1998 £'000	1997 £'000
Trade creditors	1	-
Amounts owed to parent and fellow subsidiaries	1,439	638
Corporation tax	457	230
Other creditors	-	110
Accruals and deferred income	8	-
Dividends payable	500	-
	<u>2,405</u>	<u>978</u>

## 12 Deferred taxation

The deferred taxation provided in the financial statements, and the amount not provided of the full potential liability, is £nil (1997: £nil).

## 13 Called-up share capital

	1998 £'000	1997 £'000
Authorised, allotted, called up and fully paid 1,000,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

# Statim Finance Limited

## 14 Profit and loss account

	Profit and loss account £'000
At 1 January 1998	820
Profit for the year	559
At 31 December 1998	<u>1,379</u>

## 15 Reconciliation of movements in shareholders' funds

	1998 £'000	1997 £'000
Profit for the financial year	1,059	458
Dividends	<u>(500)</u>	<u>-</u>
	559	458
Shareholders' funds at beginning of year	1,820	1,362
Shareholders' funds at end of year	<u>2,379</u>	<u>1,820</u>

## 16 Contingent liabilities

	1998 £'000	1997 £'000
Guarantee of bank indebtedness	<u>23,668</u>	<u>35,061</u>

This represents guarantees given to Barclays Bank plc in respect of loans to pharmacists.  
No liability is expected to arise.

# Statim Finance Limited

## 17 Financial commitments

At 31 December 1998 the company had annual commitments under non-cancellable operating leases as follows:

	31 December 1998		31 December 1997	
	Land and buildings	Other	Land and buildings	Other
	£'000	£'000	£'000	£'000
Expiring between two and five years	-	-	-	14

## 18 Related party transactions

Executives required by the Company to move their homes to take up appointments at the new Group Head Office were entitled to a relocation package provided by the company. This package involved, where necessary, the executives entering into a contract with the company to transfer the beneficial ownership of their domestic properties to the company in exchange for a cash sum arrived at following independent valuations. In addition, certain costs incurred in connection with the relocation were reimbursed by the company. R N Andrews participated in the above scheme.

The company has taken advantage of the exemption under Financial Reporting Standard Number 8 from disclosure of intra-group transactions and balances as these are eliminated on consolidation in the financial statements of the ultimate parent undertaking.

## 19 Ultimate parent undertaking and ultimate controlling party

In the opinion of the directors the company's ultimate controlling party is the ultimate parent undertaking, Franz Haniel & Cie GmbH, a company registered in Germany, by virtue of its majority shareholding in the intermediate parent GEHE AG and its consolidation of the GEHE AG Group results into its own consolidated financial statements.

Consolidated financial statements for the largest group of undertakings are prepared by Franz Haniel & Cie GmbH and may be obtained from Franz Haniel Platz 1, D47119 Duisburg, Ruhrort, Germany.

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