

Statim Finance Limited
Directors' report and financial statements
for the year ended 31 December 2002

Registered no: 1865147



Statim Finance Limited

Annual report for the year ended 31 December 2002

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Statim Finance Limited

Directors' report for the year ended 31 December 2002

The directors present their report and the audited financial statements of the company for the year ended 31 December 2002.

Results

Details of the results for the financial year are set out in the profit and loss account on page 4. The directors do not recommend the payment of a final dividend (2001: £nil). No interim dividend was paid during the year (2001: £nil).

Principal activities

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

Review of business and future developments

The directors are satisfied with the company's performance during the year, its year end financial position and future prospects. The directors await the government's decision regarding adoption of the recent OFT report on deregulation of the pharmacy market. If the recommendations are adopted as drafted then there will inevitably be some changes within the company's sphere of business. Nevertheless the directors believe that the potential changes offer new opportunities as well as threats and consider that the company is well placed to capitalise on those opportunities.

Political and charitable contributions

No charitable contributions were made during the year (2001: £nil). No political contributions were made (2001: £nil).

Directors

The directors of the company, all of whom have been directors for the whole of the year ended 31 December 2002 except where otherwise stated, were as follows:

R N Andrews

I Davidson (appointed 31 March 2002)

S R Dunn (appointed 31 March 2002)

G A Kershaw (resigned 31 March 2002)

R C H Vizard (retired 30 September 2002)

M A Ward (resigned 8 April 2002)

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

Statim Finance Limited

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.

Impact of the Euro

The GEHE Group being, GEHE AG (a company incorporated in Germany) and all its subsidiaries, recognises the wide implications of the Euro for businesses, including impacts on commercial arrangements and financial systems. Appropriate preparations were made in those entities resident in Euro-land countries, based on the EU timetable for the introduction of notes and coins in January 2002.

Within the UK, the Group's preparations recognise the uncertain position regarding possible entry to the single currency, and the situation is monitored closely.

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.

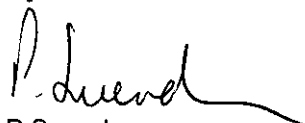
The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2002 and that applicable accounting standards have 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.

Auditors

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 31 January 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors. A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

By order of the Board



P Smerdon
Secretary

12 February 2003

Statim Finance Limited

Independent Auditors' Report to the members of Statim Finance Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards 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 United Kingdom Auditing Standards issued by the Auditing Practices Board. 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 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. The other information comprises only the directors' report.

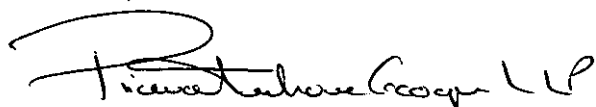
Basis of audit opinion

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 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, the financial statements give a true and fair view of the state of the company's affairs at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
Birmingham

12 February 2003

Statim Finance Limited

Profit and loss account for the year ended 31 December 2002

	Notes	2002 £'000	2001 £'000
Turnover	3	1,924	1,623
Gross profit		<u>1,924</u>	<u>1,623</u>
Administrative expenses		(317)	(320)
Other operating income		5	9
Operating profit		<u>1,612</u>	<u>1,312</u>
Net interest receivable	6	89	170
Profit on ordinary activities before taxation	7	<u>1,701</u>	<u>1,482</u>
Tax on profit on ordinary activities	8	(508)	(447)
Retained profit for the year	15	<u><u>1,193</u></u>	<u><u>1,035</u></u>

The results have been derived wholly 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.

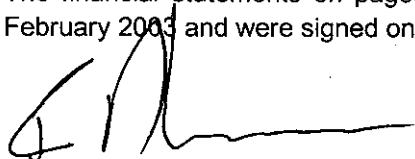
There is no material difference between the results above and the results on an unmodified historical cost basis.

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Balance sheet at 31 December 2002

	Notes	2002 £'000	2001 £'000
Fixed assets			
Tangible assets	9	<u>1</u>	<u>2</u>
Current assets			
Debtors:			
Amounts falling due within one year	10	6,599	5,616
Amounts falling due after more than one year	10	<u>3</u>	<u>-</u>
		6,602	5,616
Creditors: amounts falling due within one year	11	<u>(539)</u>	<u>(747)</u>
Net current assets		<u>6,063</u>	<u>4,869</u>
Total assets less current liabilities		6,064	4,871
Net assets		<u>6,064</u>	<u>4,871</u>
Capital and reserves			
Called-up share capital	14	1,000	1,000
Profit and loss account	15	5,064	3,871
Equity shareholders' funds	16	<u>6,064</u>	<u>4,871</u>

The financial statements on pages 4 to 12 were approved by the board of directors on 12 February 2003 and were signed on its behalf by:



I Davidson
Director

Statim Finance Limited

Notes to the financial statements for the year ended 31 December 2002

1 Principal accounting policies

The financial statements have been prepared under the historical cost convention in accordance with applicable Accounting Standards in the United Kingdom. Set out below is a summary of the more important accounting policies, which have been applied consistently except where stated.

Financial Reporting Standard 19 has been adopted in the year but had no impact as the company has historically provided in full for deferred taxation.

Debtors

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

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 and assets are not discounted.

Tangible fixed assets

Tangible fixed assets are stated at cost less provision for depreciation. Cost comprises the purchase cost together with any incidental expenses of acquisition.

Depreciation is calculated by reference to the expected lives of the assets concerned. Additional depreciation may be charged where directors consider there to have been an impairment in the underlying value of an asset. The following rates are applied:

Fixtures, fittings, plant and equipment	25% straight line
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Leased assets

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

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Pensions

The company contributes to group pension schemes operated by AAH Limited. Contributions to the defined benefit scheme are determined by a professionally qualified actuary and are based on pension costs across the group as a whole. They are charged to the profit and loss account so as to spread the pension costs over the expected service lives of employees currently participating in the schemes.

Further details are given in note 13 to the financial statements.

2 Cash flow statement and related party disclosure

The company is a wholly owned subsidiary of GEHE AG, a company registered in Germany, and is included in the financial statements of GEHE 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

	2002 £'000	2001 £'000
Aggregate emoluments	<u>99</u>	<u>77</u>

Retirement benefits are accruing to four directors under a defined benefit scheme (2001: one director). No such benefits are accruing under money purchase schemes (2001: no directors).

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. The emoluments of Mr Kershaw are paid by the parent company (AAH Subsidiaries Limited) which makes no recharge to the company. The emoluments of Mr Vizard and Mr Ward were paid by the parent company (AAH Subsidiaries Limited) until 31 March 2002 and by a fellow group company (Lloyds Pharmacy Limited) thereafter, neither of which made any recharge to the company. Mr Davidson, Mr Dunn, Mr Kershaw, Mr Vizard and Mr Ward were directors of a number of group companies during the year 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, Mr Dunn, Mr Kershaw, Mr Vizard or Mr Ward are disclosed. The emoluments of Mr Dunn and Mr Davidson are disclosed in the aggregate of directors' emoluments for AAH Pharmaceuticals Limited. The emoluments of Mr Kershaw are disclosed in the aggregate of directors' emoluments for AAH Subsidiaries Limited. The emoluments of Mr Vizard and Mr Ward are disclosed in the aggregate of directors' emoluments for GEHE UK plc.

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5 Employee information

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

	2002	2001
By function		
Administration	<u>6</u>	<u>6</u>

Staff costs for the above persons were:

	2002 £'000	2001 £'000
Wages and salaries	203	196
Social security costs	18	22
Other pension costs (see note 13)	<u>25</u>	<u>23</u>
	<u>246</u>	<u>241</u>

6 Net interest receivable

	2002 £'000	2001 £'000
Interest payable and similar charges		
On bank loans and overdrafts repayable within five years, not by instalments	<u>(3)</u>	<u>-</u>
Interest receivable		
Bank interest	-	50
Group interest	50	115
Other interest	<u>42</u>	<u>5</u>
	<u>92</u>	<u>170</u>
	<u>89</u>	<u>170</u>

7 Profit on ordinary activities before taxation

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

	2002 £'000	2001 £'000
Increase / (Reduction) in bad debt provision	-	(7)
Depreciation - tangible owned assets		
Charge for the year	1	1
Auditors' remuneration - for audit	6	6
Operating lease rentals		
Motor vehicles	<u>32</u>	<u>22</u>

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8 Tax on profit on ordinary activities

	2002 £'000	2001 £'000
UK corporation tax at 30% (2001: 30%)	511	447
Deferred taxation (see note 12)	(3)	-
	<u>508</u>	<u>447</u>

The reconciliation of the current tax charge is as follows:

Profit before tax multiplied by full UK corporation tax rate of 30% (2001: 30%)	510	445
Expenses not deductible for tax purposes:		
Permanent differences	2	2
Capital allowances for the period less depreciation	(1)	-
	<u>511</u>	<u>447</u>

9 Tangible fixed assets

Movements in the year ended 31 December 2002

	Fixtures, fittings, plant and equipment £'000
Cost	
At 1 January 2002	5
At 31 December 2002	<u>5</u>
Depreciation	
At 1 January 2002	3
Charge for year	1
At 31 December 2002	<u>4</u>
Net book value	
At 31 December 2002	<u>1</u>
At 1 January 2002	<u>2</u>

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10 Debtors

	2002 £'000	2001 £'000
Amounts falling due within one year:		
Trade debtors	126	750
Amounts owed by parent and fellow subsidiaries	6,473	4,854
Prepayments and accrued income	-	12
	<u>6,599</u>	<u>5,616</u>
Amounts falling due after more than one year:		
Deferred taxation (Note 12)	<u>3</u>	<u>-</u>

11 Creditors

	2002 £'000	2001 £'000
Amounts falling due within one year:		
Bank overdraft	25	285
Trade creditors	1	-
Corporation tax	511	447
Other creditors	-	1
Accruals and deferred income	2	14
	<u>539</u>	<u>747</u>

12 Deferred taxation

	2002 £'000	2001 £'000
Brought forward at 1 January	-	-
Deferred tax credit in the profit and loss account	(3)	-
At 31 December	<u>(3)</u>	<u>-</u>
Accelerated capital allowances	<u>(3)</u>	<u>-</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. Both of the schemes are funded and constituted as independently administered funds with their assets being held separately from those of the company. The defined benefit fund is valued every three years by a professionally qualified, independent actuary, the rates of contribution payable being determined by the actuary. 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 (2001: £nil). The pension charge for the year was £24,563 (2001: £22,609).

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

The Group operates defined benefit pension schemes in the UK. The figures incorporated within the accounts are under SSAP 24 but in addition an actuarial valuation was carried out as at 31 December 2002 for FRS 17 disclosure purposes.

With regard to these group schemes it is not possible to determine the company's share of the underlying assets and liabilities. The AAH Staff Pension Scheme had a deficit of £7,900,000 representing a funding level of 87%. The Vestric Pension Plan had a deficit of £300,000 representing a funding level of 99%. These schemes are fully disclosed in the accounts of AAH Limited.

14 Called-up share capital

	2002 £'000	2001 £'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 2002	3,871
Retained profit for the financial year	<u>1,193</u>
At 31 December 2002	<u>5,064</u>

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16 Reconciliation of movements in shareholders' funds

	2002 £'000	2001 £'000
Profit for the financial year	1,193	1,035
Opening shareholders' funds	4,871	3,836
Closing shareholders' funds	<u>6,064</u>	<u>4,871</u>

17 Financial commitments

At 31 December 2001 the company had annual commitments under non-cancellable operating leases as follows:

	31 December 2002		31 December 2001	
	Land and Buildings £'000	Other £'000	Land and Buildings £'000	Other £'000
Expiring within one year	-	5	-	6
Expiring between two and five years	-	7	-	4
	-	<u>12</u>	-	<u>10</u>

18 Capital commitments

The company had no capital commitments at 31 December 2002 (2001: £nil).

19 Contingent liabilities

	2002 £'000	2001 £'000
Guarantees of bank indebtedness	<u>1,179</u>	<u>2,343</u>

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.

20 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 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, D-47119 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.