

Statim Finance Limited

1865147

Annual report for the year ended 31 December 1996

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Directors' report for the year ended 31 December 1996

The directors present their report and the audited financial statements for the year ended 31 December 1996.

Principal activities

The profit and loss account is set out on page 5.

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

Review of the business and future developments

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

Dividends and transfers from reserves

The directors propose to pay a dividend of £241,739 (1995: £130,000) in respect of the year ended 31 December 1996. The retained profit of £276,240 for the financial period will be transferred to reserves.

Changes in fixed assets

The movements in fixed assets during the year are set out in note 8 of these financial statements.

Directors and their interests

The directors who served during the year were:

G Greenhalgh
A C Orme
R C H Vizard
S M Meister

At 31 December 1996 Mr Greenhalgh and Mr Meister were directors of AAH and their interests in the share capital and share options schemes of that company are disclosed in the accounts of AAH plc.

None of the other directors held interests in the share capital or share option schemes of AAH plc (1995: Nil).

Employees

The policy of the directors is to encourage the involvement of all employees in the development and performance of the company.

The company pursues a policy of providing, wherever possible, the same employment opportunities to disabled persons as to others having regard to the aptitudes and abilities of each applicant. Efforts are made to enable employees who become disabled during employment to continue their careers with the company. Training, career development and promotion of disabled persons is, as far as possible identical to that of other employees who are not disabled.

Statement of directors' responsibilities

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

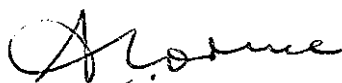
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Auditors

A resolution to reappoint the auditors, Coopers & Lybrand, will be proposed at the annual general meeting.

For and on behalf of the board



Director

7 **March 1997**

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

We have audited the financial statements on pages 5 to 15.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

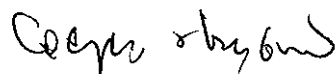
Basis of opinion

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 consider 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 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**Coopers & Lybrand****Chartered Accountants and Registered Auditors****7 March 1997**

Profit and loss account for the year ended 31 December 1996

	Notes	12 months ended 31 December 1996 £	9 months ended 31 December 1995 £
Turnover	2	936,510	675,999
Administration expenses		(262,926)	(365,904)
Operating profit/(loss)		673,584	310,095
Net interest receivable	6	105,763	74,399
Profit/(loss) on ordinary activities before taxation	5	779,347	384,494
Taxation	7	(261,368)	(121,846)
Profit/(loss) for the period after taxation		517,979	262,648
Dividends		(241,739)	(130,000)
Retained profit/(loss) for the period	13	276,240	132,648

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.

Balance sheet at 31 December 1996

	Notes	1996 £	1995 £
Fixed assets			
Tangible fixed assets	8	48,601	33,469
Current assets			
Debtors	9	1,541,337	1,426,458
Cash at bank and in hand		1,058,087	647,242
Creditors: amounts falling due within one year	10	(1,285,763)	(1,021,147)
Net current assets		<u>1,313,661</u>	<u>1,052,553</u>
Total assets less current liabilities		<u>1,362,262</u>	<u>1,086,022</u>
Provisions for liabilities and charges			
Deferred taxation	11	-	-
Net assets		<u><u>1,362,262</u></u>	<u><u>1,086,022</u></u>
Capital and reserves			
Called up share capital	12	1,000,000	1,000,000
Profit and loss account	13	362,262	86,022
Equity shareholders' funds		<u><u>1,362,262</u></u>	<u><u>1,086,022</u></u>

The financial statements on pages 5 to 15 were approved by the board of directors on 7th March 1997 and were signed on its behalf by:



Director

**Notes to the financial statements
for the year ended 31 December 1996****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 is set out below. Certain amendments have been made to corresponding amounts to make them comparable with the current year.

Basis of accounting

The financial statements are prepared under the historical cost convention. The principal accounting policies are described below and are consistent with those applied in the previous year.

Turnover

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

Debtors

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

Tangible fixed assets

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

The following annual depreciation rates are applied on a straight line basis:

Motor vehicles	25%-40%
Plant and equipment	20%

Deferred taxation

Taxation deferred or accelerated is accounted for in respect of all timing differences to the extent that it is probable that a liability or asset will crystallise in the foreseeable future.

Pensions

The company participates in two pension schemes, one defined benefit and one defined contribution, operated by its 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 6 April 1994, particulars of which are disclosed in the financial statements of AAH plc.

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial year. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction.

2 Turnover

Turnover consists entirely of sales made in the United Kingdom.

3 Directors' emoluments

The remuneration paid to directors of Statim Finance Limited was:

	12 months ended 31 December 1996 £'000	9 months ended 31 December 1995 £'000
For management	72	38
Pension contributions	10	5
	<hr/>	<hr/>
	82	43
	<hr/>	<hr/>

Fees and other emoluments (excluding pension contributions) include amounts paid to:

	12 months ended 31 December 1996 £'000	9 months ended 31 December 1995 £'000
The Chairman	Nil	Nil
The highest paid director	72	38

The number of directors (including the Chairman and highest paid director) who received emoluments (excluding pension contributions) in the following ranges was:

	12 months ended 31 December 1996 £'000	9 months ended 31 December 1995 £'000
£0 to £5,000	3	5
£40,001 to £45,000	-	1
£70,001 to £75,000	1	-

The emoluments of Mr Greenhalgh, Mr Meister and Mr Vizard are paid by AAH Subsidiaries Limited. Mr Greenhalgh and Mr Meister, are directors of AAH Subsidiaries Limited 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. Mr Vizard is a director of AAH Pharmaceuticals Limited. Accordingly, the above details include no emoluments in respect of Mr Greenhalgh, Mr Meister and Mr Vizard. Their total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of AAH Subsidiaries Limited.

4 Employee information

	12 months ended 31 December 1996 £'000	9 months ended 31 December 1995 £'000
Administration	6	5
Staff costs (for the above persons):		
Wages and salaries	170,234	101,481
Social security costs	16,625	10,875
Other pension costs	13,623	5,036
	<u>200,482</u>	<u>117,392</u>

5 Profit/(loss) on ordinary activities before taxation

	12 months ended 31 December 1996 £'000	9 months ended 31 December 1995 £'000
This is stated after charging:		
Depreciation charge for the period		
Tangible owned fixed assets	20,240	9,635
Auditors' remuneration - for audit	6,000	4,750
And after crediting:		
Bad debt (credit)/charge	(72,051)	188,119

6 Net interest receivable

	12 months ended 31 December 1996 £'000	9 months ended 31 December 1995 £'000
Interest receivable:		
Bank interest	75,658	42,294
Other interest	30,105	32,105
	<u>105,763</u>	<u>74,399</u>

7 Taxation

	12 months ended 31 December 1996 £'000	9 months ended 31 December 1995 £'000
United Kingdom corporation tax at 33%	(258,500)	(122,825)
Deferred taxation (note 11)	-	979
Under provision in respect of prior years: Corporation tax	(2,868)	-
	<u>(261,368)</u>	<u>(121,846)</u>

8 Tangible fixed assets

	Plant and equipment £	Motor vehicles £	Total £
Cost			
At 1 January 1996	6,652	53,710	60,362
Additions	5,063	38,328	43,391
Disposals	-	(41,259)	(41,259)
At 31 December 1996	11,715	50,779	62,494
Depreciation			
At 1 January 1996	3,205	23,688	26,893
Charge for the year	1,988	18,252	20,240
Disposals	-	(33,240)	(33,240)
At 31 December 1996	5,193	8,700	13,893
Net book value			
At 31 December 1996	6,522	42,079	48,601
Net book value			
At 31 December 1995	3,447	30,022	33,469

9 Debtors

	31 December 1996 £	31 December 1995 £
Amounts falling due within one year:		
Trade debtors	1,522,036	1,409,478
Other prepayments and accrual income	13,278	-
Interest paid	2,167	16,980
Other debtors	3,856	-
	1,541,337	1,426,458

10 Creditors: amounts falling due within one year

	31 December 1996 £	31 December 1995 £
Trade creditors	1,042	3,228
Amounts owed to Parent company and fellow subsidiary undertakings	357,651	414,728
Corporation tax	258,500	122,825
Other taxation and social security	-	1,116
Other creditors	4,750	4,750
Accruals and deferred income	663,820	474,500
	<u>1,285,763</u>	<u>1,021,147</u>

11 Deferred taxation

Deferred taxation provided in the financial statements, and the amount unprovided of the total potential liability are as follows:

	Amount provided		Amount unprovided	
	31 December 1996 £	31 December 1995 £	31 December 1996 £	31 December 1995 £
Accelerated capital allowances	-	-	781	91
Short term timing differences	-	-	(4,308)	(3,307)
	<u>-</u>	<u>-</u>	<u>(3,527)</u>	<u>(3,216)</u>

12 Called-up share capital

	31 December 1996 £	31 December 1995 £
Authorised		
1,000,000 ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called-up and fully paid		
1,000,000 ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

13 Profit and loss account

	31 December 1996 £	31 December 1995 £
At beginning of period	86,022	(46,626)
Retained profit for the period	276,240	132,648
	<u> </u>	<u> </u>
At end of period	362,262	86,022
	<u> </u>	<u> </u>

14 Reconciliation of movements in shareholders' funds

	31 December 1996 £	31 December 1995 £
Profit/(loss) for the financial year	276,240	132,648
Opening shareholders' funds	1,086,022	953,374
	<u> </u>	<u> </u>
Closing shareholders' funds	1,362,262	1,086,022
	<u> </u>	<u> </u>

15 Contingent liabilities

	31 December 1996 £	31 December 1995 £
Guarantee of bank indebtedness	50,718,015	54,379,263
	<u> </u>	<u> </u>

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

16 Ultimate parent company

The ultimate parent company is Franz Haniel & Cie GmbH by virtue of its majority shareholding in GEHE AG and its consolidation of the GEHE AG Group results into its own consolidated financial statements.

Consolidated accounts 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 undertakings are prepared by AAH plc and may be obtained from the Company Secretary, AAH plc, Hampton Court, Tudor Road, Manor Park, Runcorn, Cheshire WA7 1TX.