

Registered no: 3196506

**NOVACARE UK LIMITED**

**Annual Report for the period**

**1 October 2000 to 31 December 2000**



# **NOVACARE UK LIMITED**

## **Annual report for the period 1 October 2000 to 31 December 2000**

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**Directors and advisers**

**Registered Office**

Unit 10 Horton Court  
Hortonwood 50  
Telford  
Shropshire  
TF1 4GY

**Directors**

T J Day  
M D Hall  
R C Ellmer

**Secretary**

R C Ellmer

**Registered Auditors**

PricewaterhouseCoopers  
101 Barbirolli Square  
Lower Mosley Street  
Manchester  
M2 3PW

**Directors' report  
for the period 1 October 2000 to 31 December 2000**

The directors present their report and the audited financial statements for the period 1 October 2000 to 31 December 2000.

**Principal activities**

The principal activity of the company is the dispensing and supply of ostomy products.

**Review of business and future developments**

The directors consider the results for the year and the year end financial position to be satisfactory, and the directors expect that the present level of activity will be sustained in the foreseeable future. The company enjoys the support of its immediate parent undertaking, Amcare Limited.

During the period under review the whole of the issued share capital of the parent undertaking was acquired by Bristol-Myers Squibb Holdings Limited.

**Dividends and transfers to reserves**

The directors do not recommend the payment of a dividend. The profit for the financial period of £17,505 (year ended 30 September 2000: £8,212) will be transferred to reserves.

**Directors**

The directors of the company who served during the period were as follows:

T J Day	- appointed 22 November 2000
R C Ellmer	
C L Kernahan	- resigned 22 November 2000

Mr M D Hall was appointed a director on 22 January 2001 and resigned on 18 October 2001.

**Directors' interests**

None of the directors had any beneficial interest in the ordinary shares of the company during the period under review.

**Statement of directors' responsibilities**

Company law requires the directors 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. 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 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**

During the year, Ernst & Young resigned as auditors and the directors appointed PricewaterhouseCoopers in their place. The auditors, PricewaterhouseCoopers, 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**



**R C Ellmer**

**Company secretary**  
**22<sup>nd</sup> October 2001**

**Auditors' report to the members of Novacare UK Limited**

We have audited the financial statements on pages 5 to 12.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing the financial statements in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom 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 United Kingdom 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 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 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 2000 and of its profit for the three months then ended and have been properly prepared in accordance with the Companies Act 1985.

  
**PricewaterhouseCoopers**

Chartered Accountants and Registered Auditors  
101 Barbirolli Square  
Lower Mosley Street  
Manchester M2 3PW

Date 22<sup>nd</sup> October 2001

**Profit and loss account  
for the period 1 October 2000 to 31 December 2000**

	Notes	31/12/00 £ (3 months)	30/09/00 £ (12 months)
<b>Turnover</b>	2	229,776	858,644
Cost of sales		<u>(164,334)</u>	<u>(691,831)</u>
<b>Gross profit</b>		65,442	166,813
Distribution costs		(8,805)	(35,105)
Administrative expenses		<u>(28,547)</u>	<u>(108,453)</u>
<b>Operating profit</b>		28,090	23,255
Interest receivable and similar income		862	-
Interest payable and similar charges		(7)	-
		<u>          </u>	<u>          </u>
<b>Profit on ordinary activities before taxation</b>	5	28,945	23,255
Tax on profit on ordinary activities	6	<u>(11,440)</u>	<u>(15,043)</u>
<b>Retained profit for the financial period</b>	12	<u>17,505</u>	<u>8,212</u>

The company had no recognised gains and losses other than the profits and losses above and therefore no separate statement of total recognised gains and losses has been prepared.

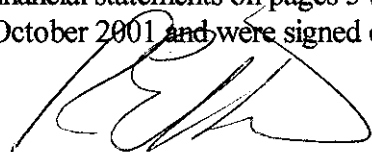
Turnover and operating profit arise from continuing operations. The above profits are stated on an historical cost basis.

The notes and accounting policies on pages 7 to 12 form part of these accounts.

# Balance sheet at 31 December 2000

	Notes	31/12/00 £	30/09/00 £
<b>Fixed assets</b>			
Tangible assets	7	-	3,157
Intangible assets	8	<u>289,361</u>	<u>326,366</u>
		<u>289,361</u>	<u>329,523</u>
<b>Current assets</b>			
Stocks		5,527	4,504
Debtors	9	62,905	214,844
Cash at bank and in hand		<u>112,984</u>	<u>113,103</u>
		181,416	332,451
<b>Creditors: amounts falling due within one year</b>	10	<u>(380,451)</u>	<u>(589,153)</u>
<b>Net current liabilities</b>		<u>(199,035)</u>	<u>(256,702)</u>
<b>Total assets less current liabilities</b>		<u>90,326</u>	<u>72,821</u>
<b>Capital and reserves</b>			
Called up share capital	11	2	2
Profit and loss account	12	<u>90,324</u>	<u>72,819</u>
<b>Total equity shareholders' funds</b>	13	<u>90,326</u>	<u>72,821</u>

The financial statements on pages 5 to 12 were approved by the board of directors on 22<sup>nd</sup> October 2001 and were signed on its behalf by:



**R C Ellmer**

**Director**



**Notes to the financial statements  
for the period 1 October 2000 to 31 December 2000****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 are prepared in accordance with the historical cost convention.

**Tangible fixed assets**

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Fixtures and fittings	5 years
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**Intangible fixed assets**

Purchased goodwill is capitalised at cost and amortised over its expected useful life of 15 years.

**Deferred taxation**

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.

**Turnover**

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied.

**Finance and operating leases**

Costs in respect of operating leases are charged on a straight line basis over the lease term.

Leasing agreements which transfer to the company substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.

**Stocks and work in progress**

Stocks and work in progress are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Where necessary, provision is made for obsolete, slow moving and defective stocks.

**2 Turnover**

Turnover is attributable to one continuing activity, the dispensing and supply of ostomy products.

Turnover consists entirely of sales made in the United Kingdom.

**3 Directors' emoluments**

No director received emoluments for services to the company.

**4 Employee information**

The average weekly number of persons (excluding directors, all of whom were non-executive) employed by the company during the period was:

	31/12/00 Number	30/09/00 Number
<b>By activity</b>		
Sales and distribution	1	1
Administration	3	4
	<u>4</u>	<u>5</u>

	31/12/00 (3 mths) £	30/09/00 (12 mths) £
<b>Staff costs (for the above persons)</b>		
Wages and salaries	11,375	53,330
Social security costs	956	3,965
Other pension costs	358	1,791
	<u>12,689</u>	<u>59,086</u>

**5 Profit on ordinary activities before taxation**

	31/12/00 (3 mths) £	30/09/00 (12 mths) £
Profit on ordinary activities before taxation is stated after charging:		
Depreciation charge for the year:		
Tangible owned fixed assets	3,157	1,056
Intangible fixed assets	6,348	25,392
Auditors' remuneration	1,000	1000
Operating lease charges	<u>1,651</u>	<u>5,420</u>

**6 Tax on profit on ordinary activities**

	31/12/00 (3 mths) £	30/09/00 (12 mths) £
United Kingdom corporation tax at 30%	11,440	14,790
Prior year adjustment	-	253
	<u>11,440</u>	<u>15,043</u>

**7 Tangible fixed assets**

	Fixtures And Fittings £
<b>Cost</b>	
At 1 October 2000	5,302
Disposals	(5,302)
	<hr/>
At 31 December 2000	-
	<hr/>
<b>Depreciation</b>	
At 1 October 2000	2,145
Charge for period	3,157
Disposals	(5,302)
	<hr/>
At 31 December 2000	-
	<hr/>
<b>Net book value</b>	
At 31 December 2000	-
At 30 September 2000	<u>3,157</u>

**8 Intangible fixed assets - purchased goodwill**

	£
<b>Cost</b>	
At 1 October 2000	381,000
Adjustment to purchase consideration	<u>(30,657)</u>
At 31 December 2000	<u>350,343</u>
<b>Amortisation</b>	
At 1 October 2000	54,634
Charge for period	<u>6,348</u>
At 31 December 2000	<u>60,982</u>
<b>Written down value</b>	
At 31 December 2000	<u>289,361</u>
At 30 September 2000	<u>326,366</u>

**9 Debtors**

	31/12/00	30/09/00
	£	£
<b>Amounts falling due within one year</b>		
Trade debtors	62,326	26,821
Amount owed by group company	-	186,864
Other debtors	579	1,159
	<u>62,905</u>	<u>214,844</u>

**10 Creditors: amounts falling due within one year**

	31/12/00	30/09/00
	£	£
Corporation tax	11,440	-
Amount due to immediate parent company	363,797	500,850
Amount owed to other group company	-	44,738
Accruals and deferred income	5,214	43,565
	<u>380,451</u>	<u>589,153</u>

**11 Called up share capital**

	31/12/00	30/09/00
	£	£
<b>Authorised</b>		
1,000,000 ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
<b>Allotted, called up and fully paid</b>		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

**12 Profit and loss account**

	£
At 1 October 2000	72,819
Profit for the period	17,505
<b>At 31 December 2000</b>	<u>90,324</u>

**13 Reconciliation of movements in shareholders' funds**

	31/12/00	30/09/00
	£	£
Opening shareholders' funds	72,821	64,609
Profit for the financial period	17,505	8,212
<b>Closing shareholders' funds</b>	<b><u>90,326</u></b>	<b><u>72,821</u></b>

**14 Related party transactions**

The company has taken advantage of the exemption allowed under FRS8 not to disclose balances and transactions with other group companies.

**15 Operating lease commitments**

At 31 December 2000 the company had the following annual commitments under non-cancellable operating leases:

	Land and buildings £
Expiring in two to five years	<u>5,300</u>

**16 Parent undertakings and controlling party**

The immediate parent undertaking is Amcare Limited, a company incorporated in England.

On 22 November 2000 the whole of the issued share capital of Amcare Limited was acquired by Bristol-Myers Squibb Holdings Limited.

Bristol-Myers Squibb Holdings Limited is the parent undertaking of the smallest group of undertakings for which accounts are drawn up and of which the company is a member. Consolidated financial statements of Bristol-Myers Squibb Holdings Limited can be obtained from the Company Secretary at Swakeleys House, Milton Road, Ickenham, Uxbridge, UB10 8NS.

The ultimate parent undertaking and controlling party is Bristol-Myers Squibb Company, which is registered in the State of Delaware, United States of America. This company is the parent undertaking of the largest group of undertakings for which accounts are drawn up and of which the company is a member. Copies of the financial statements of Bristol-Myers Squibb Company may be obtained from the Company Secretary at 345 Park Avenue, New York 10154, United States of America.