

FMS Supplies Limited
Annual report and accounts
for the year ended 31 December 2000

Registered Number 3417736



FMS Supplies Limited

Annual report and accounts

for the year ended 31 December 2000

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FMS Supplies Limited

Directors and Advisors for the year ended 31 December 2000

Directors

J A S Jewitt

D O Lyon

M Stokes

S Page

Secretary and registered office

C E R Thomas

The Colonnades

Beaconsfield Close

Hatfield

Hertfordshire

AL10 8YD

Auditors

PricewaterhouseCoopers

Benson House

33 Wellington Street

Leeds

LS1 4JP

Bankers

Barclays Bank plc

Lombard Street

London

EC3P 3AH

Solicitors

Freshfields Bruckhaus Deringer

65 Fleet Street

London

EC4Y 1HS

FMS Supplies Limited

Directors' report for the year ended 31 December 2000

The directors present their report and the audited financial statements of the company for the year ended 31 December 2000.

Principal activity

The principal activity of the company continued to be that of suppliers of pharmaceutical products.

Review of business and future developments

The profit and loss account for the year is set out on page 5. Both the level of business and the financial position are satisfactory and the directors expect that the present level of activity will be sustained for the foreseeable future.

Results and dividends

The company's profit for the financial year was £335,539 (1999:£279,747). Dividends of £349,146 (1999: £257,534) were paid during the year and the deficit for the year of £13,607 (1999: retained profit of: £22,213) has been transferred from/to reserves.

Directors and their interests

The directors of the company who held office during the year and their interests in the shares of the company and in the ultimate parent company Nestor Healthcare Group plc, were as stated below:

S Page (appointed 6 November 2000)
J A S Jewitt
D O Lyon
M Stokes
R Parkinson (resigned 6 July 2000)

The directors had no interest in the share capital of the company.

The interests of J A S Jewitt and D O Lyon in the share capital of Nestor Healthcare Group plc are disclosed in the report and accounts of that company.

The interests of M Stokes and S Page in the share capital of Nestor Healthcare Group plc are as follows:

	Ordinary shares		SAYE scheme		Company share option plan 1996		Employee share option scheme 1996	
	31 December 2000	1 January 2000	31 December 2000	1 January 2000	31 December 2000	1 January 2000	31 December 2000	1 January 2000
M Stokes	21,997	-	4,552	4,552	7,058	26,000	40,544	30,655
S Page	6,222	.*	-	.*	6,349	.*	46,561	.*

* At date of appointment.

M Stokes exercised 26,000 and 700 of her share options under the Company Share Option Plan 1996 and the Employee Share Option Scheme 1996 respectively which became exercisable in November 1999. These had an original exercise price of 115 pence and a market price on exercise of 659 pence, on 5 January 2000.

FMS Supplies Limited

Directors' report for the year ended 31 December 2000 (continued)

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, as at the end of the financial year and of the profit or loss of the company for that period. In preparing these accounts, the directors are required to:

- select suitable accounting policies and 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 accounts; and
- prepare the accounts 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 enable them to ensure that the accounts 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

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,



C E R Thomas
Secretary

15 October 2001

Auditors' report to the members of FMS Supplies Limited

We have audited the financial statements on pages 5 to 13, which have been prepared under the historical cost convention and the accounting policies set out on page 7.

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.

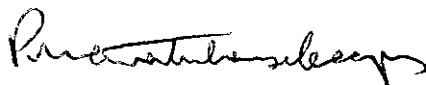
Basis of audit opinion

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 results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers

Chartered Accountants and Registered Auditors

Leeds

15 October 2001

FMS Supplies Limited

Profit and loss account for the year ended 31 December 2000

	Note	2000 £	1999 £
Turnover	1	950,831	943,643
Cost of sales		(334,345)	(326,983)
Gross profit		616,486	616,660
Administrative expenses		(137,240)	(209,922)
Operating profit	3	479,246	406,738
Interest payable	6	-	(7,431)
Interest receivable	6	5,018	1,744
Profit on ordinary activities before tax		484,264	401,051
Taxation	7	(148,725)	(121,304)
Profit on ordinary activities after taxation		335,539	279,747
Dividends	8	(349,146)	(257,534)
(Deficit)/retained profit for the year	17	(13,607)	22,213

All of the results derive from continuing operations.

The company has no recognised gains or losses other than included above and therefore no separate statement of total recognised gains or losses has been presented.

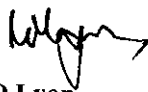
There is no difference between the profit on ordinary activities before taxation and the (deficit)/retained profit for the year stated above and their historical cost equivalents.

FMS Supplies Limited

Balance sheet as at 31 December 2000

	Note	2000 £	2000 £	1999 £	1999 £
Fixed assets					
Tangible assets	9		17,602		11,588
Current assets					
Stocks	10	32,751		42,516	
Debtors	11	567,225		257,770	
Cash at bank and in hand		58,503		153,853	
		658,479		454,139	
Creditors: amounts falling due within one year	12	(666,642)		(450,137)	
Net current (liabilities)/assets			(8,163)		4,002
Total assets less current liabilities			9,439		15,590
Creditors: amounts falling due after more than one year	13	(7,456)			-
Net assets			1,983		15,590
Capital and reserves					
Called up equity share capital	16		100		100
Profit and loss account	17		1,883		15,490
Total shareholders' funds	18		1,983		15,590

The financial statements on pages 5 to 13 were approved by the board of directors on 15 October 2001 and were signed on its behalf by:


D O Lyon
 Director

FMS Supplies Limited

Notes to the financial statements for the year ended 31 December 2000

1 Accounting policies

The financial statements have been prepared in accordance with the historical cost convention and applicable accounting standards.

The principal accounting policies, which have been applied consistently, are set out below:

Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Plant and machinery	20% straight line
Fixtures, fittings and equipment	33% straight line

Stocks

Stocks are stated at the lower of cost and net realisable value.

Finance and operating leases

Leasing arrangements which transfer to the company substantially all the benefits and risks of the 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 lease are depreciated over their expected useful lives which fall into the range specified above.

Deferred taxation

No provision is made for deferred taxation resulting from timing differences between profits computed for taxation purposes and profits stated in the accounts unless there is a reasonable probability that a liability will arise in the foreseeable future.

Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

2 Cash flow statement and related party disclosures

The company is a wholly owned subsidiary of Nestor Healthcare Group plc and is included in the consolidated financial statements of Nestor Healthcare Group plc which are publicly available from the address given in note 19. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised). The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Nestor Healthcare Group plc group.

FMS Supplies Limited

Notes to the financial statements for the year ended 31 December 2000 (continued)

3 Operating profit

	2000	1999
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets		
- owned assets	6,411	3,772
- leased assets	-	13,429
Auditors' remuneration		
- audit services	5,500	2,772
- non-audit services	6,728	-
Loss on disposal of fixed assets	-	20,000

4 Directors' emoluments

	2000	1999
	£	£
Aggregate emoluments	7,926	8,628

No pension contributions were paid on behalf of the directors.

In 2000, the emoluments of S Page, JAS Jewitt, DO Lyon and R Parkinson were borne by the parent undertaking.

5 Employees

	2000	1999
	£	£
The average number of persons employed by the company, including executive directors, was:	6	6
The costs incurred in respect of these employees were:		
Wages and salaries	121,499	88,577
Social security costs	12,678	6,179
Other pension costs	2,826	3,645
	137,003	98,401

FMS Supplies Limited

Notes to the financial statements for the year ended 31 December 2000 (continued)

6 Interest

	2000	1999
	£	£
Receivable on bank deposits	5,018	1,744
Payable on finance leases and hire purchase agreements	-	(7,431)
	5,018	(5,687)

7 Taxation

	2000	1999
	£	£
UK corporation tax at 30% (1999:30.25%)		
Current year	149,736	121,304
Prior year	(1,011)	-
	148,725	121,304

8 Dividends

	2000	1999
	£	£
Ordinary interim paid of £nil per share (1999: £1,883)	-	188,300
Ordinary proposed of £3,491.46 per share (1999:£692.34)	349,146	69,234
	349,146	257,534

FMS Supplies Limited

Notes to the financial statements for the year ended 31 December 2000 (continued)

9 Tangible fixed assets

	Office equipment £	Total £
Cost		
At 1 January 2000	16,917	16,917
Additions	12,425	12,425
At 31 December 2000	29,342	29,342
Accumulated depreciation		
At 1 January 2000	5,329	5,329
Charge for the year	6,411	6,411
At 31 December 2000	11,740	11,740
Net book amount		
At 31 December 2000	17,602	17,602
At 31 December 1999	11,588	11,588

10 Stocks

	2000 £	1999 £
Goods held for resale	32,751	42,516

11 Debtors

	2000 £	1999 £
Trade debtors	90,133	75,368
Other debtors	-	74,034
Prepayments and accrued income	367	11,415
Amounts due from fellow subsidiary undertaking	280,559	96,953
Amounts due from ultimate parent undertaking	196,166	-
	567,225	257,770

FMS Supplies Limited

Notes to the financial statements for the year ended 31 December 2000 (continued)

12 Creditors – Amounts falling due within one year

	2000	1999
	£	£
Trade creditors	40,949	49,322
Corporation tax	149,736	121,304
Taxation and social security	24,733	28,354
Accruals and deferred income	41,908	90,552
Payments on account	28,685	-
Dividends payable	349,146	69,234
Other creditors	10,555	4,524
Amounts due to ultimate parent undertaking	-	86,847
Amounts due to fellow subsidiary undertakings	20,930	-
	666,642	450,137

13 Creditors: amounts falling due after more than one year

	2000	1999
	£	£
Accruals and deferred income	7,456	-

14 Deferred taxation

The full potential liability to deferred taxation at 31 December 2000 and the amount provided at 30% is as follows:

	2000		1999	
	Full potential liability £	Amount provided £	Full potential liability £	Amount provided £
Accelerated capital allowances	258	-	881	-

FMS Supplies Limited

Notes to the financial statements for the year ended 31 December 2000 (continued)

15 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £2,826 (1999: £3,645).

16 Share capital

	2000 £	1999 £
Authorised		
100,000 ordinary shares of £1 each	100,000	100,000
Allotted and fully paid		
100 ordinary shares of £1 each	100	100

17 Statement of movements on profit and loss account

	2000 £	1999 £
Balance at start of year	15,490	(6,723)
(Deficit) retained profit for the year	(13,607)	22,213
Balance at the end of year	1,883	15,490

18 Reconciliation of movements in shareholders' funds

	2000 £	1999 £
(Loss)/profit for the year	(13,607)	22,213
Shareholders' funds/(deficit) at the start of the year	15,590	(6,623)
Shareholders' funds at the end of the year	1,983	15,590

FMS Supplies Limited

Notes to the financial statements for the year ended 31 December 2000 (continued)

19 Ultimate parent undertaking

At 31 December 2000 the ultimate parent undertaking and ultimate controlling party is Nestor Healthcare Group plc. The company is included in the consolidated accounts of Nestor Healthcare Group Plc which can be obtained from:

Nestor Healthcare Group Plc
The Colonnades
Beaconsfield Close
Hatfield
Hertfordshire
AL10 8YD