



## Veeder Root Finance Company

Financial statements for the fifteen month period ended 24  
November 1998 together with directors' and auditors' reports

Registered number: 3428240



# Directors' report

For the period ended 24 November 1998

## Financial Statements

The company was incorporated on 28 August 1997.

The directors present their report on the affairs of the company, together with the financial statements and auditors report, for the period from incorporation to 24 November 1998.

## Principal activity and business review

The principal activity of the company is that of an investment company.

## Results and dividends

The loss before taxation for the period was £23,913. The directors do not recommend payment of a dividend.

## Directors and Directors' interests

The directors, appointed on incorporation, were:

J Ditkoff  
P Allender  
KG Ward - (Appointed 15 September 1998)

No directors hold a beneficial interest in the shares of the company.

## Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period 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; and
- 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.

## Directors' report (continued)

### Year 2000

The directors are aware of the importance of the Year 2000 and its potential impact on all internal operating and computer systems and have devised a plan to mitigate as far as possible the risks posed by the Year 2000 to the company. The costs associated with carrying out this plan are expensed through the profit and loss account in the period.

### Auditors

Arthur Andersen were appointed as auditors and in accordance with Section 385 of the Companies Act 1985, a resolution proposing that Arthur Andersen be reappointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 16/12/1999.



KG Ward  
Director

Hydrex House  
Garden Road  
Richmond  
Surrey TW9 4NR

London

## Auditors' report

To the shareholders of Veeder Root Finance Company

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention on the basis of the accounting policies set out on page 6.

### Respective responsibilities of directors and auditors

As described on page 1, the company's directors are responsible for the preparation of the 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 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 company's state of affairs as at 24 November 1998 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen

Chartered Accountants and Registered Auditors

16 Dec 1999

20 Old Bailey  
London  
EC4M 7AN

## Profit and loss account

For the period ended 24 November 1998

	Notes	15 months to November 1998 £
Operating Expenses		<u>(7,450)</u>
<b>Operating Loss</b>		<b>(7,450)</b>
Interest received from group undertakings	2	984,109
Interest payable	3	<u>(1,000,572)</u>
<b>Loss on ordinary activities before taxation</b>		<b>(23,913)</b>
Tax on loss on ordinary activities	5	<u>(5,153)</u>
<b>Loss for the financial period</b>		<b><u>(29,066)</u></b>

There were no recognised gains or losses other than those reported in the profit and loss account.

All the above results were derived from continuing activities and there were no acquisitions during the period.

The accompanying notes are an integral part of this profit and loss account.

## Balance sheet

24 November 1998

	Notes	1998 £
<b>Current Assets</b>		
Debtors		
- due within one year	6	984,695
- due after one year	6	<u>10,000,000</u>
<b>Net current assets</b>		10,984,695
Creditors: amounts falling due within one year	7	<u>(11,013,661)</u>
<b>Net liabilities</b>		<u>(28,966)</u>
<b>Capital and reserves</b>		
Called-up share capital	8	100
Profit and loss account		<u>(29,066)</u>
<b>Shareholders' funds</b>		<u>(28,966)</u>

These financial statements were approved by the Board of Directors on 16/12/1999.



KG Ward  
Director

The accompanying notes are an integral part of this balance sheet.

# Notes to the financial statements

For the period ended 24 November 1998

## 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

### a) Basis of accounting

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

Under the provisions of Financial Reporting Standard No. 1 (revised), Cash Flow Statements, the company has not prepared a cash flow statement because its parent company, the Danaher Corporation, has prepared consolidated accounts which include the accounts of the company for the period and which are publicly available.

The company has taken advantage of the exemption from disclosure under Financial Reporting Standard No. 8, Related Party Disclosures, as it is a wholly owned subsidiary of the Danaher Corporation, which produces publicly available consolidated financial statements.

### b) Taxation

Corporation tax payable is provided on taxable profits at the current rate.

## 2 Interest receivable and similar income

	15 months to November 1998 £
Unsecured loan stock interest	984,109
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	984,109
	<hr/>

## 3 Interest payable and similar charges

	15 months to November 1998 £
Bank interest payable	1,000,572
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	1,000,572
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## Notes to the financial statements (continued)

### 4 Directors' remuneration

The directors received no remuneration during the period.

### 5 Tax on profit on ordinary activities

The tax charge comprises:

	15 months to November 1998 £
UK Corporation tax charge at the rate of 31%	<u>5,153</u>

### 6 Debtors: Amounts falling due within one year

	1998 £
Amounts owed by other group undertakings	323
Other debtors	263
Prepayments and accrued income	<u>984,109</u>
	<u>984,695</u>
<b>Amounts falling due after more than one year</b>	
8% unsecured redeemable loan stock 2007	<u>10,000,000</u>
	<u>10,984,695</u>

The 8% unsecured redeemable loan stock 2007 will be redeemed at par on 29 August 2007 and was issued to a fellow group undertaking, Launchchange Limited. Launchchange Limited and the company have agreed that any and all interest and principal payments on the loan stock will be reinvested by the company in ordinary shares of Launchchange Limited.

### 7 Creditors: Amounts due within one year

	1998 £
Bank loans and overdrafts	10,031,136
Amounts owed to other group undertakings	972,145
Accruals	<u>10,380</u>
	<u>11,013,661</u>

The bank loan is repayable on demand, bears interest at the London InterBank Offered Rate (LIBOR) plus 0.3% per annum and is guaranteed by the Danaher Corporation, the ultimate parent company.



## Notes to the financial statements (continued)

### 8 Called-up share capital

	1998 £
Authorised (100 ordinary shares of £1 each)	
On incorporation	100
At 24 November 1998	<u>100</u>
Allotted, called-up and fully paid (100 ordinary shares of £1 each)	
On incorporation	100
At 24 November 1998	<u>100</u>

### 9 Guarantees

An unlimited multi-lateral guarantee exists between all the United Kingdom based subsidiaries of the Danaher Corporation (see note 10) and Midland Bank plc.

### 10 Ultimate parent company

The company is owned 74% by Launchchange Holding Company, a company registered in England and Wales. The ultimate parent company is the Danaher Corporation, a company incorporated in the United States of America.

The largest group in which the results of the company are consolidated is that headed by the Danaher Corporation. The consolidated financial statements of this group are available to the public and may be obtained from 1250 24<sup>th</sup> Street, N.W., Suite 800, Washington DC 20037.

The smallest group in which they are consolidated is that headed by Launchchange Holding Company. The consolidated financial statements will be available to the public, when filed, from Companies House.