Amicus UK Limited

Directors' report and financial statements

Registered number: 191329

13 month period to 31 December 1999

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Contents

Directors' report

The directors present their annual report and the audited financial statements for the thirteen months ended 31 December 1999.

Principal activities

The company collects insurance premiums on behalf of The Scottish Provident Institution and receives subscriptions from customers for membership of a health maintenance and improvement program.

Business review and future developments

It is the intention of the directors to wind up the company in the next financial year. Accordingly the financial statements have been prepared on the break-up basis.

Results and dividends

The company's loss for the period is £499,674. The directors do not recommend the payment of a dividend.

Directors and directors' interests

The directors who held office during the period were as follows:

Vindex Limited (appointed 20 November 1998) (resigned 11 February 1999)
Vindex Services Limited (appointed 20 November 1998) (resigned 11 February 1999)
DE Woods (appointed 11 February 1999)
BM Rose (appointed 11 February 1999)
DG Robinson (appointed 11 February 1999)

None of the directors who held office at the end of the financial period had any disclosable interest in the shares of the company.

Year 2000

The company experienced no disruption or malfunctions since the turn of the year arising from its own computer systems or equipment with embedded date-reliant chips. All costs relating to the Year 2000 were paid by the ultimate parent company.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of PricewaterhouseCoopers as auditors of the company and to authorise the directors to fix their remuneration is to be proposed at the forthcoming Annual General Meeting.

By order of the board

BM Rose
Director

7-11 Melville Street
Edinburgh
21 February 2000

Statement of 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Auditors' report to the members of Amicus UK Limited

We have audited the financial statements on pages 4 to 7.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 2, 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.

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 as at 31 December 1999 and of its loss for the period from 20 November 1998 to 31 December 1999 and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Edinburgh

25 February 2000

Profit and loss account

for the 13 month period ended 31 December 1999

	Note	**13 month period ended 31 December 1999**
		£
Turnover	*1*	**48**
Cost of sales		**-**
Gross profit		**48**
Administrative expenses	*1*	**(506,828)**
Operating loss		**(506,780)**
Other interest receivable and similar income	*3*	**7,106**
Retained loss for the period		**(499,674)**

The profit and loss account covers the period from 20 November 1998 to 31 December 1999.

The results for the period relate wholly to discontinued activities. Other than the loss for the period there have been no recognised gains or losses and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the retained loss for the period stated above and its historical cost equivalent.

Balance sheet
at 31 December 1999

	Note	**1999**
		£
Current assets		
Cash at bank and in hand		**355**
		355
Current liabilities		
Creditors: amounts falling due within one year	*4*	**27**
Net current assets		**328**
Capital and reserves		
Called up share capital	*5*	**500,002**
Profit and loss account	*6*	**(499,674)**
Equity shareholders' funds		**328**

The financial statements on pages 4 to 7 were approved by the board of directors on 21 February 2000 and were signed on its behalf by:

BM Rose
Director

Notes

(forming part of the financial statements)

1 Accounting policies

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

Basis of preparation

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

Under Financial Reporting Standard 1(revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

The company is a wholly owned subsidiary of The Scottish Provident Institution and is included within the consolidated financial statements of the Scottish Provident Group. The company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the Scottish Provident Group (or investees of the group qualifying as related parties).

Related party transactions for the directors of the company who are also directors of The Scottish Provident Institution are disclosed in the financial statements of the Scottish Provident Group. Related party transactions by other directors in products issued or managed by the Scottish Provident Group have not been disclosed since, in the opinion of the directors, this is not a material subsidiary of the group.

The consolidated financial statements of The Scottish Provident Institution, within which this company is included, can be obtained from the registered office at 7-11 Melville Street, Edinburgh.

Turnover

Turnover represents the amounts (excluding VAT) derived from the receipt of subscriptions from customers for membership of a health maintenance and improvement program. Premiums collected on behalf of The Scottish Provident Institution are made over to the latter and do not constitute turnover.

Administrative expenses

Administrative expenses include fees (excluding VAT) rendered by the parent undertaking for the administration of the company. Auditors' remuneration is paid by the ultimate parent company.

2 Directors' remuneration and staff numbers

The directors received no remuneration during the period from the company. They are remunerated through the parent undertaking.

There were no persons employed directly by the company during the period.

Notes *(continued)*

3 Other interest receivable and similar income

	1999 £
Bank interest receivable	7,106

4 Creditors: amounts falling due within one year

	1999 £
Amounts owed to group undertakings	27

5 Called up share capital

	1999 £
Authorised	
1,500,000 ordinary shares of £1 each	1,500,000
Allotted, called up and fully paid	
500,002 ordinary shares of £1 each	500,002

The company issued 2 ordinary shares of £1 each on 11 November 1998 to Vindex Limited and Vindex Services Limited. These shares were transferred to The Scottish Provident Institution on 11 February 1999. During the year the company issued an additional 500,000 ordinary shares of £1 each for cash.

6 Reconciliation of movements in shareholders' funds

	1999 £
Loss for the period	(499,674)
New share capital subscribed	500,002
Closing shareholders' funds	328

7 Ultimate parent company

The ultimate parent company is The Scottish Provident Institution, a company incorporated in Scotland under Act of Parliament. Copies of its financial statements are available from the registered office at 7-11 Melville Street, Edinburgh.