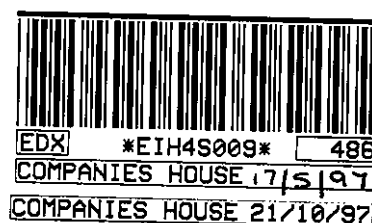


1309619

**COMMODITY AGENCIES LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**30 SEPTEMBER 1996**



# **COMMODITY AGENCIES LIMITED**

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**COMMODITY AGENCIES LIMITED**

**DIRECTORATE AND ADMINISTRATION**

**Directors:-**

P.G. Bell, F.C.T.  
J.K.A. Gibbs, F.C.A.

**Secretary:-**

J.K.A. Gibbs, F.C.A.

**Registered Office:-**

Roman House,  
Wood Street,  
London, EC2Y 5BP.

**Registered in England and  
Wales Company No:-**

1309619

# **COMMODITY AGENCIES LIMITED**

## **REPORT OF THE DIRECTORS**

### **Financial Statements**

The Directors submit their report together with the audited financial statements for the year ended 30 September 1996.

### **Principal Activities and Business Review**

The Company continued to be dormant.

### **Results and Dividends**

The financial statements for the year ended 30 September 1996 show neither a profit nor loss on ordinary activities before taxation (1995 Nil).

The Directors do not recommend the payment of a dividend for the year (1995 Nil).

### **Directorate**

The present Board of the Company is as set out on page 1. All the Directors named were Directors throughout the year.

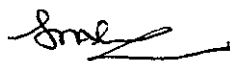
### **Directors' Interests**

No interests of any Director are disclosable to this company.

### **Auditors**

A resolution to re-appoint KPMG Audit Plc as auditors will be proposed at the forthcoming Annual General Meeting.

**Approved by the Board of Directors  
and signed on behalf of the Board**



**J.K.A. GIBBS**  
Secretary

13 December 1996

## **COMMODITY AGENCIES LIMITED**

### **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 as at the end of the financial year and of the profit and 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 a 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 COMMODITY AGENCIES LIMITED

We have audited the financial statements on pages 5 to 6.

### **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 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 affairs of the Company as at 30 September 1996 and of the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc  
Chartered Accountants  
Registered Auditors

13 December 1996

# COMMODITY AGENCIES LIMITED

## PROFIT AND LOSS ACCOUNT

For the year ended 30 September 1996


The Company did not trade during the current year and the prior year. Consequently, there have been no revenue and expenses for these years. There have been no recognised gains and losses and there have been no movements in shareholders funds.

The audit fee for the company has been borne by its parent company.

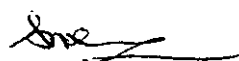
## BALANCE SHEET as at 30 September 1996

|   | Note | 1996<br>£000 | 1995<br>£000 |
|---|------|--------------|--------------|
| <b>CURRENT ASSETS</b>                                     |      |              |              |
| Debtors   | 3    | —            | 7            |
| <b>CREDITORS: AMOUNTS FALLING DUE<br/>WITHIN ONE YEAR</b> |      |              |              |
|   | 4    | —            | 7            |
| <b>NET CURRENT ASSETS/(LIABILITIES)</b>                   |      | —            | —            |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>              |      | —            | —            |
| <b>CAPITAL AND RESERVES</b>                               |      |              |              |
| Called up share capital                                   | 5    | —            | —            |

These financial statements were approved by the Board of Directors on 13 December 1996.

  
Signed on behalf of the Board of Directors

P.G. Bell  
Director



J.K.A. Gibbs  
Director

## COMMODITY AGENCIES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

##### Accounting Convention

The financial statements are prepared under the historical cost convention.

##### Cash Flow Statement

In accordance with the exemption provisions of Financial Reporting Standard 1 relating to wholly owned subsidiary undertakings, the Company has not presented a cash flow statement.

#### 2. ULTIMATE PARENT COMPANY

The Company's parent company is Lonrho Exports Limited, and the ultimate parent company is Lonrho Plc; both companies are registered in England and Wales.

Copies of the Group financial statements of Lonrho Plc are available from Lonrho Plc., 4 Grosvenor Place, London, SW1X 7DL.

|    |  |              |              |
|----|--|--------------|--------------|
| 3. | DEBTORS  | 1996<br>£000 | 1995<br>£000 |
|    | Other debtors  | <u>-</u>     | <u>7</u>     |
| 4. | CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR         | 1996<br>£000 | 1995<br>£000 |
|    | Amount due to parent company                           | <u>-</u>     | <u>7</u>     |
| 6. | CALLED UP SHARE CAPITAL                                | 1996<br>£000 | 1995<br>£000 |
|    | Authorised: 10,000 ordinary shares of £1 each          | <u>10</u>    | <u>10</u>    |
|    | Allocated and fully paid: 2 ordinary shares of £1 each | <u>-</u>     | <u>-</u>     |

#### 7. REMUNERATION OF DIRECTORS

The Directors did not receive any remuneration during the year (1995-nil).



These accounts, being the consolidated accounts of John Holt Group Limited, the Parent Undertaking of Lonrho Hotels Africa Management Services Limited, are to be filed with the accounts of the latter in accordance with Section 228 (2) (e) of the Companies Act, 1985

JOHN HOLT GROUP LIMITED  
ANNUAL REPORT 1996

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Registered in England No. 126250

21/5/97.  
393

JOHN HOLT GROUP LIMITED  
REPORT OF THE DIRECTORS

The Directors submit their Annual Report together with the audited accounts for the year ended 30 September 1996.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

During the year the Group operated in the UK, Nigeria, Malawi, South Africa, Oman and USA.

The analysis of group results distinguishing between activities and geographical areas is shown in notes 1 and 5 on pages 13 to 15.

NIGERIA

The Group's subsidiary and associated undertakings are engaged in a wide range of activities including:

- Manufacture of agricultural implements, glass fibre boats, garden furniture, cosmetics and toiletries.
- Assembly and distribution of motor cycles, generators and outboard engines.
- Wholesale distribution of pharmaceutical products.
- Nationwide distribution of a comprehensive range of consumer durables and non-durables.
- Property investment and management.
- Distribution, leasing, and servicing of motor vehicles.
- Air conditioning and refrigeration.
- Clearing and forwarding.

The Government of Nigeria continued with its prudent economic policies designed to stabilise the exchange rate, reduce inflation, and encourage foreign and domestic investment. Over the course of the year the exchange rate has revalued by 8.8% and inflation has fallen from 72.89% in December 1995 to approximately 40% in September 1996, although prices in most of the Group's markets have fallen.

The effect of the above on the economy has been to reduce demand and both volumes and margins have fallen. The well publicised political problems have also had a damaging effect on the economy, particularly as many aid programmes were suspended.

The Government's policy of encouraging foreign investment has been evidenced by the repeal of the legislation restricting foreign ownership and a reduction in rates of corporation tax. John Holt in the UK has taken advantage of this investment climate by increasing its equity stake in John Holt Plc.

Although there are no indications yet of an increase in demand, the reduction in inflation and interest rates, coupled with the stable exchange rate should enable the economy to grow faster next year.

JOHN HOLT GROUP LIMITED  
REPORT OF THE DIRECTORS (continued)

UNITED KINGDOM AND EUROPE

EXPORT

Although Nigerian shipments were down by 30%, turnover was up by 10%, with shipments to fellow Lonrho subsidiaries throughout other parts of Africa accounting for the main improvement.

The Group has continued its policy of maximising the benefits from its buying power by concentrating its buying activities, previously undertaken at three locations in the UK, at Liverpool. This has resulted in better prices, lower overheads and more favourable financing arrangements.

On 1 October 1995 the Group acquired all the equity of Balfour, Williamson & Co. Limited from Lonrho Plc. The consideration, based on net asset value, was paid by the issue of £550,000 of ordinary share capital and the creation of £4,200,000 of share premium. The principal activities of Balfour Williamson are the provision of procurement, management and consultancy services.

OTHER

Our investments in Malawi and USA continued to trade profitably with the rationalisation of the USA activities continuing.

GROUP RESULTS AND DIVIDENDS

|                               | £000    |
|-------------------------------|---------|
| Profit for the financial year | 5,871   |
| Ordinary dividends:           |         |
| Proposed Interim              | (3,007) |
|                               | —       |
| Profit retained               | 2,864   |
|                               | —       |

The Directors do not recommend the payment of a final dividend.

MARKET VALUE OF LAND AND BUILDINGS

In the opinion of the directors, the market value of the land and buildings of the company and its subsidiary undertakings does not differ significantly from the book value of these assets.

JOHN HOLT GROUP LIMITED  
REPORT OF THE DIRECTORS (continued)

POLITICAL AND CHARITABLE CONTRIBUTIONS

UK group companies made no political contributions during the year. Donations to UK charities amounted to £2,750.

DIRECTORS

The directors who served during the year were:

|                   |                           |
|-------------------|---------------------------|
| N.J. Morrell      | (Chairman)                |
| J.H.W. Garnett    | (Group Managing Director) |
| P. Bridges        |                           |
| P. Newns          |                           |
| J.L. Platts-Mills | (appointed 28.7.96)       |
| J.B. Raisbeck     |                           |
| R.E. Whitten      |                           |

DIRECTORS' INTERESTS

At 30 September 1996, none of the directors had any beneficial interest in the shares of the company, its subsidiaries, its immediate holding company or the subsidiaries of its immediate or ultimate holding company.

Particulars of directors' interests in Lonrho Plc, the company's ultimate holding company, excluding those directors who were also directors of Lonrho Plc, notified to the company in accordance with the requirements of Section 324 of the Companies Act 1985 are as follows:

|               |         | At 1.10.95 | Acquired/<br>Granted | Sold    | At 30.9.96 | Exercise<br>Price Pence | Date<br>Exercisable | Expiry<br>Date |
|---------------|---------|------------|----------------------|---------|------------|-------------------------|---------------------|----------------|
| P Bridges     | Shares  | 2,978      | 6,809                | -9,787  | 0          |                         |                     |                |
|               | Options | 4,491      |                      |         | 4,491      | 184.30                  | 21.06.91            | 21.06.98       |
|               |         | 7,000      |                      |         | 7,000      | 259.50                  | 12.07.93            | 12.07.00       |
|               |         | 6,750      |                      | -6,750  | 0          | 75.50                   | 01.07.95            | 01.07.02       |
|               |         | 10,000     |                      |         | 10,000     | 128.00                  | 20.07.97            | 20.07.04       |
|               |         | 18,625     |                      |         | 18,625     | 60.40                   | 24.07.97            | 24.01.98       |
|               |         | 10,000     |                      |         | 10,000     | 153.50                  | 14.02.98            | 14.02.05       |
|               |         | 5,872      |                      |         | 5,872      | 117.50                  | 27.07.98            | 27.01.99       |
|               |         | 6,500      |                      |         | 6,500      | 117.50                  | 01.07.96            | 01.07.03       |
|               |         | 69,238     | 0                    | -6,750  | 62,488     |                         |                     |                |
| J H W Garnett | Shares  | 1,296      | 39,554               | -20,200 | 20,650     |                         |                     |                |
|               | Options | 10,704     |                      | -10,704 | 0          | 148.48                  | 12.05.89            | 12.05.96       |
|               |         | 3,850      |                      | -3,850  | 0          | 184.30                  | 21.06.91            | 21.06.98       |
|               |         | 7,000      |                      | 0       | 7,000      | 259.50                  | 12.07.93            | 12.07.00       |
|               |         | 25,000     |                      | -25,000 | 0          | 75.50                   | 01.07.95            | 01.07.02       |
|               |         | 25,000     |                      | 0       | 25,000     | 128.00                  | 20.07.97            | 20.07.04       |
|               |         | 18,625     |                      | 0       | 18,625     | 60.40                   | 24.07.97            | 24.01.98       |
|               |         | 25,000     |                      | 0       | 25,000     | 153.50                  | 14.02.98            | 14.02.05       |
|               |         | 5,872      |                      | 0       | 5,872      | 117.50                  | 27.07.98            | 27.01.99       |
|               |         | 121,051    | 0                    | -39,554 | 81,497     |                         |                     |                |

JOHN HOLT GROUP LIMITED  
REPORT OF THE DIRECTORS (continued)

DIRECTORS' INTERESTS (continued)

|              |         | At 1.10.95 | Acquired/<br>Granted | Sold   | At 30.9.96 | Exercise<br>Price Pence | Date<br>Exercisable | Expiry<br>Date |
|--------------|---------|------------|----------------------|--------|------------|-------------------------|---------------------|----------------|
| P Newns      | Shares  | -          | 7,636                | -6,500 | 1,136      |                         |                     |                |
|              | Options | 1,481      |                      | -1,481 | -          | 148.48                  | 12.05.89            | 12.05.96       |
|              |         | 1,155      |                      | -1,155 | -          | 184.30                  | 21.06.91            | 21.06.98       |
|              |         | 7,700      |                      |        | 7,700      | 259.50                  | 12.07.93            | 12.07.00       |
|              |         | 5,000      |                      | -5,000 | -          | 75.50                   | 01.07.95            | 01.07.02       |
|              |         | 5,000      |                      |        | 5,000      | 128.00                  | 20.07.97            | 20.07.04       |
|              |         | 11,175     |                      |        | 11,175     | 60.40                   | 24.07.97            | 24.01.98       |
|              |         | 5,000      |                      |        | 5,000      | 153.50                  | 14.02.98            | 14.02.05       |
|              |         | 36,511     |                      | -7,636 | 28,875     |                         |                     |                |
| J B Raisbeck | Shares  | 4,000      | 5,083                | -7,000 | 2,083      |                         | 29.03.95            |                |
|              | Options | 3,850      |                      |        | 3,850      | 184.30                  | 21.06.91            | 21.06.98       |
|              |         | 7,000      |                      |        | 7,000      | 259.50                  | 12.07.93            | 12.07.00       |
|              |         | 5,000      |                      | -5,000 | 0          | 75.50                   | 01.07.95            | 01.07.02       |
|              |         | 5,000      |                      |        | 5,000      | 128.00                  | 20.07.97            | 20.07.04       |
|              |         | 5,000      |                      |        | 5,000      | 153.50                  | 14.02.98            | 14.02.05       |
|              |         | 25,850     |                      | -5,000 | 20,850     |                         |                     |                |

Options are held pursuant to one or more of the share option schemes of Lonrho Plc and are over ordinary shares of 25p each of that company.

All movements in share options in the year relate to options granted.

So far as the directors are aware, there were no contracts of significance in relation to the Group's business subsisting during or at the end of the year in which any director had a material interest.

PAYMENT OF CREDITORS

In accordance with statutory instrument no 189, UK group companies have adopted the CBI Code of Practice for payments they make to creditors. Copies of the code may be obtained from the CBI, Centre Point, 103 New Oxford Street, London, WC1AS 1DU.

AUDITORS

KPMG resigned as auditors on 12 September 1996. The directors appointed KPMG Audit Plc to fill the casual vacancy.

In accordance with Section 388(3) of the Companies Act 1985, a resolution for the appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

*J.B. Raisbeck*

BY ORDER OF THE BOARD  
J.B. RAISBECK  
SECRETARY

2 January 1997  
York House  
Mercury Court  
Tithebarn Street  
Liverpool L2 2RG

JOHN HOLT GROUP LIMITED  
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 group and of the profit or loss 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 group 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 group and to prevent and detect fraud and other irregularities.

JOHN HOLT GROUP LIMITED  
STATEMENT OF DIRECTORS' RESPONSIBILITIES

REPORT OF THE AUDITORS KPMG AUDIT PLC  
TO THE MEMBERS OF  
JOHN HOLT GROUP LIMITED

We have audited the financial statements on pages 7 to 32

Respective responsibilities of directors and auditors

As described on page 5 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 Group'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 affairs of the company and the group as at 30 September 1996 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink that reads "KPMG Audit Plc". The signature is written in a cursive, stylized font.

KPMG AUDIT PLC

CHARTERED ACCOUNTANTS  
REGISTERED AUDITORS

3 January 1997  
Richmond House  
1, Rumford Place  
Liverpool L3 9QY

JOHN HOLT GROUP LIMITED  
CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 SEPTEMBER 1996

|   |      | 1996                          |                      |               | 1995                             |                                    |               |
|---|------|-------------------------------|----------------------|---------------|----------------------------------|------------------------------------|---------------|
|   | Note | Continuing Operations<br>£000 | Acquisitions<br>£000 | Total<br>£000 | Continuing<br>Operations<br>£000 | Discontinued<br>Operations<br>£000 | Total<br>£000 |
| TURNOVER  | 1    | 71,507                        | 3,424                | 74,931        | 47,877                           | 1,890                              | 49,767        |
| Cost of sales   |      | (55,940)                      | (814)                | (56,754)      | (33,800)                         | (1,497)                            | (35,297)      |
| GROSS PROFIT  |      | 15,567                        | 2,610                | 18,177        | 14,077                           | 393                                | 14,470        |
| Distribution and<br>administrative costs              | 2    | (7,121)                       | (1,932)              | (9,053)       | (6,303)                          | (412)                              | (6,715)       |
| Other operating income                                | 3    | 258                           | 32                   | 290           | 318                              | -                                  | 318           |
| Share of profits of associated<br>undertakings        |      | 45                            | 176                  | 221           | 74                               | -                                  | 74            |
| OPERATING PROFIT/(LOSS)                               |      | 8,749                         | 886                  | 9,635         | 8,166                            | (19)                               | 8,147         |
| (Loss)/profit on sale<br>or termination of operations | 3    |                               |                      | (888)         |                                  |                                    | 42            |
| Interest receivable                                   | 4    |                               |                      | 2,359         |                                  |                                    | 1,582         |
| Interest payable                                      | 4    |                               |                      | (4,064)       |                                  |                                    | (2,315)       |
| PROFIT ON ORDINARY ACTIVITIES<br>BEFORE TAXATION      | 5    |                               |                      | 7,042         |                                  |                                    | 7,456         |
| Taxation on profit on<br>ordinary activities          | 8    |                               |                      | 108           |                                  |                                    | (2,831)       |
| PROFIT ON ORDINARY ACTIVITIES<br>AFTER TAXATION       |      |                               |                      | 7,150         |                                  |                                    | 4,625         |
| Minority interests                                    |      |                               |                      | (1,279)       |                                  |                                    | (1,312)       |
| PROFIT FOR THE<br>FINANCIAL YEAR                      | 9    |                               |                      | 5,871         |                                  |                                    | 3,313         |
| Proposed interim dividend                             |      |                               |                      | (3,007)       |                                  |                                    | (2,055)       |
| RETAINED PROFIT                                       |      |                               |                      | 2,864         |                                  |                                    | 1,258         |

The notes on pages 10 to 32 form part of these accounts.  
A statement of movements on reserves can be found in note 22.

A statement of Total Recognised Gains and Losses is given on page 9 and a reconciliation of the movement in shareholders' funds is given in note 23.



JOHN HOLT GROUP LIMITED  
BALANCE SHEETS AT 30 SEPTEMBER 1996

|  | NOTE | 1996<br>£000  | GROUP<br>Restated<br>1995<br>£000 | 1996<br>£000  | COMPANY<br>Restated<br>1995<br>£000 |
|--|------|---------------|-----------------------------------|---------------|-------------------------------------|
| <b>FIXED ASSETS</b>                          |      |               |                                   |               |                                     |
| Tangible assets                              | 10   | 13,190        | 9,539                             | 129           | 84                                  |
| Investments - Subsidiaries                   | 12   | -             | -                                 | 8,590         | 3,500                               |
| - Associated undertakings                    | 13   | 719           | 155                               | -             | -                                   |
| - Other                                      | 14   | 384           | 385                               | 350           | 350                                 |
|  |      | <u>14,293</u> | <u>10,079</u>                     | <u>9,069</u>  | <u>3,934</u>                        |
| <b>CURRENT ASSETS</b>                        |      |               |                                   |               |                                     |
| Stocks                                       | 15   | 18,189        | 20,183                            | -             | 7                                   |
| Debtors - due within one year                | 16   | 19,768        | 10,915                            | 10,176        | 6,192                               |
| - due after one year                         | 16   | 25,642        | 24,442                            | 25,642        | 24,442                              |
| Cash at bank and in hand                     | 17   | 1,944         | 1,208                             | 105           | 1                                   |
|  |      | <u>65,543</u> | <u>56,748</u>                     | <u>35,923</u> | <u>30,642</u>                       |
| Creditors due within one year                | 18   | (38,348)      | (32,134)                          | (17,464)      | (11,882)                            |
|  |      | <u>27,195</u> | <u>24,614</u>                     | <u>18,459</u> | <u>18,760</u>                       |
| <b>NET CURRENT ASSETS</b>                    |      |               |                                   |               |                                     |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |      | <u>41,488</u> | <u>34,693</u>                     | <u>27,528</u> | <u>22,694</u>                       |
| Creditors due after one year                 | 19   | (1,187)       | (1,981)                           | (4,012)       | (6,044)                             |
|  |      | <u>40,301</u> | <u>32,712</u>                     | <u>23,516</u> | <u>16,650</u>                       |
| <b>NET ASSETS</b>                            |      |               |                                   |               |                                     |
| <b>CAPITAL AND RESERVES</b>                  |      |               |                                   |               |                                     |
| Called up share capital                      | 21   | 4,050         | 3,500                             | 4,050         | 3,500                               |
| Share Premium                                | 22   | 4,200         | -                                 | 4,200         | -                                   |
| Revaluation reserve                          | 22   | 2,245         | 1,935                             | -             | -                                   |
| Other reserves                               | 22   | (1,485)       | 71                                | -             | -                                   |
| Profit and loss account                      | 22   | 22,304        | 18,958                            | 15,266        | 13,150                              |
|  |      | <u>31,314</u> | <u>24,464</u>                     | <u>23,516</u> | <u>16,650</u>                       |
| <b>SHAREHOLDER'S FUNDS - EQUITY</b>          |      | <u>31,314</u> | <u>24,464</u>                     | <u>23,516</u> | <u>16,650</u>                       |
| <b>MINORITY INTERESTS - EQUITY</b>           |      | <u>8,987</u>  | <u>8,248</u>                      | <u>-</u>      | <u>-</u>                            |
|  |      | <u>40,301</u> | <u>32,712</u>                     | <u>23,516</u> | <u>16,650</u>                       |



J H W GARNETT

DIRECTOR

The accounts were approved by the  
Board of Directors on the  
2 January 1997

The notes on pages 10 to 32 form part of these accounts

JOHN HOLT GROUP LIMITED  
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 30 SEPTEMBER 1996

|   | 1996<br>£000 | 1995<br>£000 |
|---|--------------|--------------|
| Profit for the financial year   | 5,871        | 3,313        |
| Unrealised surplus on revaluation of properties                         | 132          | 263          |
|   | <hr/>        | <hr/>        |
|   | 6,003        | 3,576        |
| Currency translation differences on foreign currency net<br>Investments | 522          | (1,473)      |
|   | <hr/>        | <hr/>        |
| Total recognised gains and losses relating to the year                  | 6,525        | 2,103        |
|   | <hr/>        | <hr/>        |

NOTE OF HISTORICAL COST PROFITS  
FOR THE YEAR ENDED 30 SEPTEMBER 1996

A note of historical cost profits has not been prepared as the difference between the results as disclosed in the profit and loss account and the result as given by an unmodified historical cost basis is not material.

JOHN HOLT GROUP LIMITED  
STATEMENT OF GROUP ACCOUNTING POLICIES

The following paragraphs describe the main accounting policies of the group. Local usage precludes some overseas subsidiary and associate undertakings from adopting certain of these policies and therefore, where appropriate, adjustments have been made on consolidation in order that the group accounts are presented on a consistent basis.

#### BASIS OF ACCOUNTING

The accounts are prepared in accordance with Applicable Accounting Standards and under the historical cost convention adjusted by the revaluation of certain assets. Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that the company's ultimate holding company is publishing consolidated financial statements in accordance with the EC Seventh Company Law Directive incorporating changes in financial position.

#### CONSOLIDATION OF GROUP COMPANIES

The consolidated accounts include the assets, liabilities and profit and loss accounts of the company and its subsidiary undertakings as defined in the Companies Act 1989. The revenue results of subsidiary undertakings acquired during the year are included from the date of acquisition. When material the revenue results of subsidiary undertakings sold during the year are included up to the date of sale. On the acquisition of a subsidiary undertaking, if the current value of property and other major assets (excluding current assets) differs materially from book value, such assets are revalued as appropriate to reflect more accurately the cost to the group. Where the cost of acquisition differs from the adjusted value of net assets acquired, the goodwill or surplus is included in other reserves. On the disposal of a subsidiary undertaking, the proceeds from disposal less the net assets attributable to the group at the date of disposal is included as an exceptional item.

Results of subsidiaries and associates, operating in hyper-inflationary economies are adjusted to reflect current price levels in those countries concerned. However, if such an adjustment results in a credit to revenue results no adjustment is reflected on the grounds of prudence.

In accordance with S230 of the 1985 Companies Act a separate profit and loss account dealing with the results of the company only has not been presented.

#### ASSOCIATE UNDERTAKINGS

An associate undertaking is a company, other than a subsidiary undertaking, in which the group's interest is considered to be long term, is substantial and in which the group is in a position to exercise, through representation on its board, influence on the commercial and financial policy decisions of the associate.

The consolidated profit and loss account includes the group's share of profits and losses of associate undertakings; these results are calculated from the latest available audited accounts. The consolidated balance sheet asset comprises shares at cost (including reserves capitalised since acquisition), dividends not yet remitted to the U.K. and the group's share of reserves arising since acquisition. The group's share of the profits and losses of associates sold or ceasing to be of associate status during the year is included up to the date of sale or change in status.

JOHN HOLT GROUP LIMITED  
STATEMENT OF GROUP ACCOUNTING POLICIES (continued)

FOREIGN CURRENCIES AND EXCHANGE RATES

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

For consolidation purposes the assets and liabilities and profit and loss accounts, of overseas subsidiary and associated undertakings are translated at the closing exchange rates. Exchange differences arising on these translations are taken to reserves, other than where overseas undertakings operate in hyper-inflationary economies.

REVALUATION OF FIXED ASSETS

It is group policy to review regularly the value of fixed assets and, if it is considered appropriate, to obtain professional valuations which are incorporated into the group accounts. Investment properties are revalued annually, the net surplus arising therefrom is credited to revaluation reserve.

When the new valuation exceeds the net book value of the relevant asset, the over-provision for accumulated depreciation, which was charged in previous years and is no longer required, is written back to profit and loss reserve. Depreciation is charged to profit before tax on the revised book value from the date of valuation. If the valuation is in excess of the original cost of the relevant asset, the surplus over cost is credited to revaluation reserve. A deficit on valuation of a particular asset is charged to profit before tax to the extent that it is not covered by surpluses arising on prior valuations of that asset which have been previously credited to revaluation reserve.

The fixed assets in hyper-inflationary economies have not been adjusted to reflect the effect of inflation except where there has been a professional revaluation.

PROFIT ON DISPOSAL OF FIXED ASSETS

Where the net sales proceeds exceed carrying value, the surplus over carrying value is shown as a profit on disposal, and accumulated depreciation is written back as an adjustment to depreciation. Where the net sales proceeds are less than original cost, the difference between net proceeds and net book value is treated as an adjustment to the depreciation charge for the year.

Where, however, disposals of fixed assets arise from a closure of a significant part of a business, any profit or loss is aggregated with other closure revenue and costs and is reflected as an exceptional item in the profit and loss account.

Surpluses on revaluation of fixed assets, which have previously been taken to revaluation reserve, are released to the cumulative profit and loss account as a reserve movement on disposal of the fixed asset.

JOHN HOLT GROUP LIMITED  
STATEMENT OF GROUP ACCOUNTING POLICIES (continued)

DEPRECIATION

The book values of fixed assets are written off evenly over their estimated remaining useful lives, and depreciation rates are determined accordingly. The major fixed assets are depreciated within the following categories:

|   |                              |
|---|------------------------------|
| Freehold and long leasehold buildings   | 2% per annum                 |
| Plant, Machinery, Fixtures and Fittings | 10%-33% per annum            |
| Short leasehold property                | Life of the respective lease |

No depreciation is provided on investment properties and freehold land.

VALUATION OF STOCK AND WORK IN PROGRESS

Valuation is at the lower of cost and net realisable value. Where relevant, cost includes an appropriate share of manufacturing overheads and interest.

TAXATION

Provision for UK and Overseas taxation is made at the appropriate tax rates adjusted where applicable to take account of the surrender of advance corporation tax and group losses, except that provision is not made for overseas withholding tax on foreign dividends until the dividends are received in the United Kingdom. United Kingdom corporation tax on foreign dividends is provided for when the dividend is declared due and payable.

Deferred tax, whether United Kingdom or overseas, is calculated under the liability method, and is only provided where it is anticipated to be payable within the foreseeable future.

TURNOVER

Turnover represents sales of goods and services net of discounts, allowances and turnover taxes and includes commissions earned. Group turnover includes sales to associates.

LEASES

The cost of assets held under finance leases is capitalised within the appropriate tangible fixed asset heading and depreciation is provided in accordance with the accounting policy for the class of asset concerned. The interest cost is charged over the term of the lease, and the capital element of future lease payments is included in creditors.

The cost of assets held as lessor under operating leases is capitalised within the appropriate tangible fixed asset heading and depreciation is provided in accordance with the accounting policy of the class of asset concerned. Profits on rentals from operating leases, granted by a subsidiary undertaking acting as lessor, are credited monthly after due provision has been made for arrears of rentals and any costs of reposessions.

Rentals payable under operating leases are charged to the profit and loss account over the life of the lease.

JOHN HOLT GROUP LIMITED  
NOTES ON THE ACCOUNTS

1. TURNOVER

|                               | 1996   | 1995   |
|-------------------------------|--------|--------|
| By activity:                  | £000   | £000   |
| General trade & distribution  | 74,931 | 47,877 |
| Manufacturing                 | -      | 1,890  |
|                               | <hr/>  | <hr/>  |
|                               | 74,931 | 49,767 |
|                               | <hr/>  | <hr/>  |
| By geographical destination:  |        |        |
| United Kingdom                | 182    | 1,890  |
| Europe                        | 544    | -      |
| The Americas                  | 8      | -      |
| East, Central and West Africa | 66,723 | 47,290 |
| Southern Africa               | 36     | -      |
|                               | <hr/>  | <hr/>  |
|                               | 67,493 | 49,180 |
|                               | <hr/>  | <hr/>  |
| Third parties                 | 67,493 | 49,180 |
| Fellow subsidiaries           | 7,438  | 587    |
|                               | <hr/>  | <hr/>  |
|                               | 74,931 | 49,767 |
|                               | <hr/>  | <hr/>  |

2. DISTRIBUTION AND ADMINISTRATIVE COSTS

|                |       |       |
|----------------|-------|-------|
| Distribution   | 2,429 | 2,092 |
| Administrative | 6,624 | 4,623 |
|                | <hr/> | <hr/> |
|                | 9,053 | 6,715 |
|                | <hr/> | <hr/> |

3. OTHER OPERATING INCOME

|  |       |       |
|--|-------|-------|
| Income from fixed asset unlisted investments | 85    | 283   |
| Profit on sale of investments                | 181   | -     |
| Exchange difference on normal trading        | (4)   | 35    |
| Exchange profit on net currency borrowings   | 28    | -     |
|  | <hr/> | <hr/> |
|  | 290   | 318   |
|  | <hr/> | <hr/> |

JOHN HOLT GROUP LIMITED  
NOTES ON THE ACCOUNTS (continued)

|    |  |              |              |
|----|--|--------------|--------------|
| 3. | <u>LOSS ON SALE OR TERMINATION OF OPERATIONS</u> (continued) | 1996<br>£000 | 1995<br>£000 |
|    | Profit on sale or termination of subsidiary undertakings     | 232          | 42           |
|    | Loss on sale or termination of operations                    | (1,120)      | -            |
|    |  | <hr/>        | <hr/>        |
|    |  | (888)        | 42           |
|    |  | <hr/>        | <hr/>        |

The loss on termination of operations has had the effect of reducing the tax charge by some £358,000 and reducing minority interest share of profit in the year by some £419,000.

The profit on sale of subsidiary undertakings has no impact on the tax charge in the year due to the utilisation of capital losses brought forward and £172,000 relating to surplus on consolidation which is not taxable. There is no impact on minority interests in the year.

4. INTEREST RECEIVABLE

|                           |       |       |
|---------------------------|-------|-------|
| Third Parties             | 762   | 136   |
| Immediate holding company | 1423  | 1,446 |
| Fellow subsidiaries       | 174   | -     |
|                           | <hr/> | <hr/> |
|                           | 2,359 | 1,582 |
|                           | <hr/> | <hr/> |

INTEREST PAYABLE

|  |       |         |
|--|-------|---------|
| On borrowings repayable                                    |       |         |
| - Third Parties  |       |         |
| - Bank loans and overdrafts                                | 4,549 | 3,439   |
| - Other loans  | 92    | 94      |
| - Fellow Subsidiaries                                      | -     | 104     |
| Finance lease charges                                      | 300   | 268     |
|  | <hr/> | <hr/>   |
|  | 4,941 | 3,905   |
| Less: Stock in transit interest allocated to cost of sales | (877) | (1,590) |
|  | <hr/> | <hr/>   |
|  | 4,064 | 2,315   |
|  | <hr/> | <hr/>   |

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging/(crediting):-

|  |                                    |         |
|--|------------------------------------|---------|
| GROUP                                  |                                    |         |
| Operating lease rentals                | -plant and machinery               | -       |
|  | -other                             | 254     |
| Directors' emoluments                  | (Note 6)                           | 306     |
| Advance pension contributions          |                                    |         |
| recoverable                            | (Note 28)                          | (1,210) |
| Profit on sale of fixed assets         |                                    | (118)   |
| Depreciation of tangible fixed assets: |                                    |         |
|  | - owned assets                     | 1,384   |
|  | - assets held under finance leases | 640     |
| Auditors' remuneration                 | - audit fees                       | 55      |
|  | - other                            | 35      |
| Operating lease rentals receivable     |                                    | (3,783) |
| Release of pension provision           |                                    | (376)   |
|  | <hr/>                              | <hr/>   |
|  |                                    | (2,125) |
|  | <hr/>                              | <hr/>   |

JOHN HOLT GROUP LIMITED  
NOTES ON THE ACCOUNTS (continued)

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (continued)

The analyses of profit on ordinary activities before taxation by activity and geographical area are as follows:-

|                              | 1996<br>£000 | 1995<br>£000 |
|------------------------------|--------------|--------------|
| General trade & distribution | 7,042        | 7,477        |
| Manufacturing                | -            | (21)         |
|                              | <hr/> 7,042  | <hr/> 7,456  |
|                              | <hr/>        | <hr/>        |
| United Kingdom               | 4,949        | 3,115        |
| Nigeria                      | 2,093        | 4,341        |
|                              | <hr/> 7,042  | <hr/> 7,456  |
|                              | <hr/>        | <hr/>        |

6. EMOLUMENTS OF DIRECTORS

|  |       |       |
|--|-------|-------|
| Executive remuneration including<br>benefits in kind | 306   | 237   |
|  | <hr/> | <hr/> |

The following table shows the number of directors whose duties were wholly or mainly discharged in the United Kingdom and whose emoluments, excluding pension contributions and compensation for loss of office, fell within the ranges stated.

|          |    |          | 1996 | 1995 |
|----------|----|----------|------|------|
| £Nil     | to | £5,000   | 4    | 4    |
| £40,001  | to | £45,000  | -    | 1    |
| £75,001  | to | £80,000  | -    | 1    |
| £85,001  | to | £90,000  | 2    | -    |
| £115,001 | to | £120,000 | -    | 1    |
| £130,001 | to | £135,000 | 1    | -    |

Included in the above are the emoluments of the Chairman £Nil (1995: £Nil) and of the highest paid Director £130,620 (1995: £117,394)



JOHN HOLT GROUP LIMITED  
NOTES ON THE ACCOUNTS (continued)

|  | <u>1996</u>       | <u>1995</u>       |
|--|-------------------|-------------------|
| 7. <u>EMPLOYEES</u>  |                   |                   |
| The average number of persons employed by the group during the year (excluding subsidiaries disposed of and associates) was: |                   |                   |
| General trade & distribution   | 2,476             | 2,856             |
|  | <u>          </u> | <u>          </u> |
| The aggregate payroll cost in respect of group companies was:  |                   |                   |
|  | £000              | £000              |
| Wages and salaries   | 2,545             | 1,871             |
| Social security costs  | 879               | 618               |
| Pension costs - UK   | 36                | -                 |
| - Overseas   | 73                | 49                |
|  | <u>          </u> | <u>          </u> |
|  | 3,533             | 2,538             |
|  | <u>          </u> | <u>          </u> |

JOHN HOLT GROUP LIMITED  
NOTES ON THE ACCOUNTS (continued)

8. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

|  | <u>1996</u><br>£000 | <u>1995</u><br>£000 |
|--|---------------------|---------------------|
| United Kingdom                         |                     |                     |
| Corporation tax (1996: 33%; 1995: 33%) | 287                 | 325                 |
| Relief for overseas tax                | (287)               | (325)               |
| Irrecoverable Advance corporation tax  | -                   | 514                 |
| Prior year adjustments                 | (18)                | -                   |
|  | <u>(18)</u>         | <u>514</u>          |
| Overseas                               |                     |                     |
| Charge for the year                    | 624                 | 2,147               |
| Withholding tax                        | -                   | 69                  |
| Associates                             | 130                 | 28                  |
| Prior year adjustments                 | (844)               | 73                  |
|  | <u>(90)</u>         | <u>2,317</u>        |
| Total (credit)/charge                  | <u>(108)</u>        | <u>2,831</u>        |

The tax (credit)/charge is affected by the following:-

Surrender of group relief of £3,049,000 (1995: £2,213,000) for which no consideration is payable.

The pension scheme credit of £1,210,000 (1995: £394,741) referred to in note 28 is not taxable.

£841,000 of the prior year adjustment relates to a reduction in the rate of corporate tax in Nigeria from 37% to 32%.

9. PROFIT FOR THE FINANCIAL YEAR

In accordance with section 230 of the 1985 Companies Act, a separate profit and loss account dealing with the results of the company only has not been presented. The company's profit for the year after tax before dividend dealt within the accounts of the group was £5,123,000 (1994: £4,624,000).

JOHN HOLT GROUP LIMITED  
NOTES ON THE ACCOUNTS (continued)

10. TANGIBLE FIXED ASSETS

| GROUP                                  | LAND & BUILDINGS<br>FREEHOLD<br>£000 | LEASEHOLD<br>LONG TERM<br>£000 | LEASEHOLD<br>SHORT TERM<br>£000 | PLANT &<br>MACHINERY<br>£000 | FIXTURES,<br>FITTINGS<br>& MOTOR<br>VEHICLES<br>£000 | TOTAL<br>£000 |
|--|--------------------------------------|--------------------------------|---------------------------------|------------------------------|--|---------------|
| Cost or Valuation                      |                                      |                                |                                 |                              |  |               |
| Opening balance<br>at 1 October 1995   | 2,293                                | 1,169                          | 788                             | 1,298                        | 7,401  | 12,949        |
| Exchange adjustments                   | 222                                  | 113                            | 76                              | 126                          | 688  | 1,225         |
| Subsidiaries acquired                  | -                                    | -                              | -                               | -                            | 1,558  | 1,558         |
| Additions                              | 1                                    | 112                            | 23                              | 376                          | 4,078  | 4,590         |
| Revaluations                           | 11                                   | 209                            | 92                              | -                            | -  | 312           |
| Disposals                              | -                                    | -                              | -                               | (18)                         | (1,708)  | (1,726)       |
| Transfers                              | 44                                   | (16)                           | (28)                            | 5                            | (5)  | -             |
| At 30 September 1996                   | 2,571                                | 1,587                          | 951                             | 1,787                        | 12,012   | 18,908        |
| Depreciation                           |                                      |                                |                                 |                              |  |               |
| Opening balance<br>at 1 October 1995   | -                                    | -                              | -                               | 286                          | 3,124  | 3,410         |
| Exchange adjustments                   | -                                    | -                              | -                               | 28                           | 283  | 311           |
| Subsidiaries acquired                  | -                                    | -                              | -                               | -                            | 1,170  | 1,170         |
| Disposals                              | -                                    | -                              | -                               | (14)                         | (1,170)  | (1,184)       |
| Charge for the year                    | -                                    | 8                              | 5                               | 242                          | 1,769  | 2,024         |
| Transfers                              | -                                    | -                              | -                               | 1                            | (1)  | -             |
| Written back on revaluation            | -                                    | (8)                            | (5)                             | -                            | -  | (13)          |
| At 30 September 1996                   | -                                    | -                              | -                               | 543                          | 5,175  | 5,718         |
| Net book value<br>At 30 September 1996 | 2,571                                | 1,587                          | 951                             | 1,244                        | 6,837  | 13,190        |
| At 30 September 1995                   | 2,293                                | 1,169                          | 788                             | 1,012                        | 4,277  | 9,539         |

Investment properties are included in the above with book values of freehold £2,571,000 (1995: £2,293,000), long leasehold £545,000 (1995: £365,000) and short leasehold £449,445 (1995: £36,000). No depreciation is charged in relation to investment properties.

At 30 September 1996 the net amount of fixed assets held under finance leases was £1,428,000 (1995: £675,000), and the depreciation charged in the year was £640,000 (1995: £562,000).

All investment properties including long leasehold and short leasehold land and buildings, which are not investment properties, were valued during the year by Knight, Frank and Rutley (Nigeria), chartered surveyors, on the basis of open market value. The valuations were incorporated in the accounts at 30 September 1996.

JOHN HOLT GROUP LIMITED  
NOTES ON THE ACCOUNTS (continued)

10. TANGIBLE FIXED ASSETS (continued)

GROUP

Included in the above figures are assets held for use in operating leases, by a subsidiary acting as a lessor, having a gross value of £3,417,369 (1995: £1,500,518) and related accumulated depreciation of £1,524,033 (1995: £359,518).

Assets shown below at valuation were professionally valued at the then current market values.

LAND AND BUILDINGS

|   | FREEHOLD<br>£000 | LEASEHOLD<br>LONG<br>TERM<br>£000 | LEASEHOLD<br>SHORT<br>TERM<br>£000 | TOTAL<br>£000 |
|---|------------------|-----------------------------------|------------------------------------|---------------|
| Year of professional valuations 1996                    | 2,571            | 1,587                             | 951                                | 5,109         |
| Valuation   | 2,571            | 1,587                             | 951                                | 5,109         |
| Depreciation<br>Valuation                               | -                | -                                 | -                                  | -             |
| Net Book value<br>Valuation                             | 2,571            | 1,587                             | 951                                | 5,109         |
| Historical cost of revalued assets at 30 September 1996 |                  |                                   |                                    |               |
| Original cost   | 81               | 403                               | 181                                | 665           |
| Depreciation  | -                | -                                 | -                                  | -             |
| Net historical cost                                     | 81               | 403                               | 181                                | 665           |

JOHN HOLT GROUP LIMITED  
NOTES ON THE ACCOUNTS (continued)

10. TANGIBLE FIXED ASSETS (continued)

COMPANY

|                      | EQUIPMENT<br>& MOTOR<br>VEHICLES<br>£000 | TOTAL<br>£000 |
|----------------------|--|---------------|
| Cost                 |  |               |
| At 1 October 1995    | 280                                      | 280           |
| Additions            | 107                                      | 107           |
| Disposals            | (39)                                     | (39)          |
|                      | <hr/>                                    | <hr/>         |
| At 30 September 1996 | 348                                      | 348           |
|                      | <hr/>                                    | <hr/>         |
| Depreciation         |  |               |
| At 1 October 1995    | 196                                      | 196           |
| Charge for the year  | 53                                       | 53            |
| Disposals            | (30)                                     | (30)          |
|                      | <hr/>                                    | <hr/>         |
| At 30 September 1996 | 219                                      | 219           |
|                      | <hr/>                                    | <hr/>         |
| Net Book Value       |  |               |
| At 30 September 1996 | 129                                      | 129           |
|                      | <hr/>                                    | <hr/>         |
| At 30 September 1995 | 84                                       | 84            |
|                      | <hr/>                                    | <hr/>         |

11. CAPITAL COMMITMENTS

|  | <u>GROUP</u> |              | <u>COMPANY</u> |              |
|--|--------------|--------------|----------------|--------------|
|  | 1996<br>£000 | 1995<br>£000 | 1996<br>£000   | 1995<br>£000 |
| Contracted for, but not yet provided                 | -            | -            | -              | -            |
| Authorised by the directors, but not contracted for. | -            | -            | -              | -            |
|  | <hr/>        | <hr/>        | <hr/>          | <hr/>        |

12. FIXED ASSETS - Investments in subsidiaries

COMPANY

|                       | Shares at Cost<br>less amounts<br>written off<br>£000 | Total<br>£000 |
|-----------------------|---|---------------|
| At 1 October 1995     | 3,500   | 3,500         |
| Subsidiaries acquired | 5,090   | 5,090         |
|                       | <hr/>   | <hr/>         |
| At 30 September 1996  | 8,590   | 8,590         |
|                       | <hr/>   | <hr/>         |

The principal subsidiary undertakings are noted on page 32

13. FIXED ASSETS - Investment in associated undertakings

GROUP

|                                      | At cost<br>£000 | Post<br>Acquisition<br>Reserves<br>£000 | Total<br>£000 |
|--------------------------------------|-----------------|---|---------------|
| Opening balance<br>at 1 October 1995 | 9               | 146                                     | 155           |
| Exchange adjustment                  | 1               | 19                                      | 20            |
| Additions                            | 200             | 577                                     | 777           |
| Attributable profit                  | -               | 93                                      | 93            |
| Dividends                            | -               | (326)                                   | (326)         |
|                                      | <hr/>           | <hr/>                                   | <hr/>         |
| At 30 September 1996                 | 210             | 509                                     | 719           |
|                                      | <hr/>           | <hr/>                                   | <hr/>         |

Investments in an associated undertaking comprises:

|                             | 1996<br>£000 | 1995<br>£000 |
|-----------------------------|--------------|--------------|
| Group's share of net assets | 719          | 155          |
|                             | <hr/>        | <hr/>        |

The valuations include dividends declared and payable not yet remitted. In the opinion of the Directors the aggregate value to the group at 30 September 1996 of these investments is not significantly different from total carrying value.

The principal associated undertakings are noted on page 32.

JOHN HOLT GROUP LIMITED  
NOTES ON THE ACCOUNTS (continued)

14. FIXED ASSETS - Other Investments

GROUP

Unlisted  
£000

Cost

Opening balance at 1 October 1995

385

Exchange adjustments

(1)

At 30 September 1996

384

Market/Directors' valuation

At 30 September 1996

1,330

At 30 September 1995

1,503

COMPANY

Cost

At 1 October 1995

350

At 30 September 1996

350

Directors' valuation

At 30 September 1996

741

At 30 September 1995

697

The principal other investments are noted on page 32

JOHN HOLT GROUP LIMITED  
NOTES ON THE ACCOUNTS (continued)

15. STOCKS

|                                     | <u>GROUP</u> |        | <u>COMPANY</u> |       |
|-------------------------------------|--------------|--------|----------------|-------|
|                                     | 1996         | 1995   | 1996           | 1995  |
|                                     | £000         | £000   | £000           | £000  |
| Raw materials and consumables       | 1,881        | 3,054  | -              | -     |
| Work in progress                    | 421          | 309    | -              | -     |
| Finished goods and goods for resale | 15,887       | 16,820 | -              | 7     |
|                                     | <hr/>        | <hr/>  | <hr/>          | <hr/> |
|                                     | 18,189       | 20,183 | -              | 7     |
|                                     | <hr/>        | <hr/>  | <hr/>          | <hr/> |

Included within stocks is £233,000 (1995: £70,000) relating to interest.

16. DEBTORS

|   |        |          |        |          |
|---|--------|----------|--------|----------|
| Due within one year                           |        | Restated |        | Restated |
| Trade debtors                                 | 7,477  | 5,168    | 2,578  | 2,521    |
| Parent/fellow subsidiary undertakings         | 6,690  | 2,645    | 6,267  | 2,645    |
| Subsidiary undertakings                       | -      | -        | 901    | 626      |
| Associated undertakings                       | 112    | 62       | -      | -        |
| Liquidator of overseas subsidiary undertaking | 48     | 44       | -      | -        |
| Prepayments                                   | 1,211  | 976      | 194    | 44       |
| Other debtors                                 | 4,230  | 2,020    | 236    | 356      |
|   | <hr/>  | <hr/>    | <hr/>  | <hr/>    |
|   | 19,768 | 10,915   | 10,176 | 6,192    |
|   | <hr/>  | <hr/>    | <hr/>  | <hr/>    |
| Due after one year                            |        | Restated |        | Restated |
| Advance pension contributions recoverable     | 5,815  | 4,615    | 5,815  | 4,615    |
| Parent/Fellow subsidiary undertakings         | 19,827 | 19,827   | 19,827 | 19,827   |
|   | <hr/>  | <hr/>    | <hr/>  | <hr/>    |
|   | 25,642 | 24,442   | 25,642 | 24,442   |
|   | <hr/>  | <hr/>    | <hr/>  | <hr/>    |

The 1995 comparatives have been restated to reflect a re-classification of amounts due from parent/Fellow subsidiary undertakings from debts due within one year to debts due after one year.

17. CASH AT BANK AND IN HAND

The group balance includes Naira with an equivalent sterling value of £80,319 (1995: £65,125) on deposit in Nigeria pending re-investment in Nigeria.



JOHN HOLT GROUP LIMITED  
NOTES ON THE ACCOUNTS (continued)

18. CREDITORS

| Amounts due within one year                                 | <u>GROUP</u> |        | <u>COMPANY</u> |        |
|---|--------------|--------|----------------|--------|
|   | 1996         | 1995   | 1996           | 1995   |
|   | £000         | £000   | £000           | £000   |
| Bank loans & overdrafts                                     |              |        |                |        |
| - secured   | 24           | 39     | -              | -      |
| - unsecured   | 15,534       | 16,833 | 536            | 3,560  |
| Redeemable debenture stock due 1996-2002<br>(Floating rate) | 88           | 75     | -              | -      |
| Trade creditors   | 5,353        | 3,320  | 2,845          | 1,776  |
| Parent/fellow subsidiary undertaking                        | 5,722        | 1,490  | 5,602          | 1,490  |
| Subsidiary undertakings                                     | -            | -      | 3,554          | 722    |
| Associated undertakings                                     | 141          | 36     | 129            | 36     |
| Current tax   | 783          | 2,949  | -              | 514    |
| Indirect tax and social security                            | 381          | 100    | 23             | 8      |
| Other creditors   | 4,906        | 3,573  | 1,503          | 745    |
| Accruals  | 1,457        | 1,290  | 265            | 975    |
| Dividends   | 3,007        | 2,055  | 3,007          | 2,055  |
| Net obligations under finance<br>leases (note 26)           | 952          | 374    | -              | 1      |
|   | <hr/>        | <hr/>  | <hr/>          | <hr/>  |
|   | 38,348       | 32,134 | 17,464         | 11,882 |
|   | <hr/>        | <hr/>  | <hr/>          | <hr/>  |

Accruals include a disputed amount of £500,000 relating to termination of a business segment in a previous year. (1995: £500,000).

19. CREDITORS

Amounts due after one year

Bank loans repayable within the following period:

|   |       |       |       |       |
|---|-------|-------|-------|-------|
| Between one and two years   |       |       |       |       |
| - secured   | -     | 19    | -     | -     |
| - unsecured   | 224   | 905   | -     | -     |
| Between two and five years  |       |       |       |       |
| - unsecured   | -     | 265   | -     | -     |
| Redeemable debenture stock due<br>1996 - 2002 (floating rate) repayable<br>within the following period: |       |       |       |       |
| Between one and two years   | 88    | 76    | -     | -     |
| Between two and five years  | 265   | 226   | -     | -     |
| Over 5 years by instalments   | 133   | 189   | -     | -     |
| Subsidiary undertakings   | -     | -     | 4,012 | 6,044 |
| Net obligations under finance<br>leases (note 26)   | 477   | 301   | -     | -     |
|   | <hr/> | <hr/> | <hr/> | <hr/> |
|   | 1,187 | 1,981 | 4,012 | 6,044 |
|   | <hr/> | <hr/> | <hr/> | <hr/> |

JOHN HOLT GROUP LIMITED  
NOTES ON THE ACCOUNTS (continued)

20. DEFERRED TAXATION

|  | GROUP            |                    |
|--|------------------|--------------------|
|  | Provided<br>£000 | Unprovided<br>£000 |
| Tax losses, excess capital allowances<br>and other timing differences: |                  |                    |
| - Subsidiaries   | -                | 147                |
| Capital gains:   |                  |                    |
| - Subsidiaries   | -                | 16                 |
| At 30 September 1996   | -                | 163                |
| At 30 September 1995   |                  |                    |
| - Subsidiaries   | -                | 1,221              |
| - Associates   | -                | -                  |
|  | -                | 1,221              |

21. CALLED UP SHARE CAPITAL

|  | 1996<br>£000 | 1995<br>£000 |
|--|--------------|--------------|
| Authorised and issued  |              |              |
| 4,050,000 Ordinary shares of £1 each<br>(1995: 3,500,000) fully paid | 4,050        | 3,500        |

During the year 550,000 £1 ordinary shares were issued. The shares were issued as consideration for the purchase of the whole of the issued share capital of Balfour, Williamson & Co. Limited and Lonrho Exports Limited. 500,000 shares were issued at a premium of £8.40 per share, 50,000 shares were issued at par.

JOHN HOLT GROUP LIMITED  
NOTES ON THE ACCOUNTS (continued)

22. RESERVES

|                                  | Share<br>Premium<br>£000 | Revaluation<br>Reserve<br>£000 | Other<br>reserves<br>£000 | Profit<br>& loss<br>account<br>£000 | Total<br>£000 |
|----------------------------------|--------------------------|--------------------------------|---------------------------|-------------------------------------|---------------|
| COMPANY                          |                          |                                |                           |                                     |               |
| At 1 October 1995                | -                        | -                              | -                         | 13,150                              | 13,150        |
| Retained profit                  | -                        | -                              | -                         | 2,116                               | 2,116         |
| Shares issued during<br>the year | 4,200                    | -                              | -                         | -                                   | 4,200         |
|                                  | <hr/>                    | <hr/>                          | <hr/>                     | <hr/>                               | <hr/>         |
| At 30 September 1996             | 4,200                    | -                              | -                         | 15,266                              | 19,466        |
|                                  | <hr/>                    | <hr/>                          | <hr/>                     | <hr/>                               | <hr/>         |
| GROUP                            |                          |                                |                           |                                     |               |
| Holding company and subsidiaries |                          |                                |                           |                                     |               |
| Opening Balance                  |                          |                                |                           |                                     |               |
| at 1 October 1995                | -                        | 1,924                          | 71                        | 18,823                              | 20,818        |
| Exchange adjustments             | -                        | 177                            | 27                        | 299                                 | 503           |
| Goodwill                         | -                        | -                              | (1,248)                   | 2                                   | (1,246)       |
| Retained profit                  | -                        | -                              | -                         | 3,097                               | 3,097         |
| Transfers                        | -                        | (10)                           | (163)                     | 173                                 | -             |
| Revaluation                      | -                        | 132                            | -                         | -                                   | 132           |
| Shares issued                    | 4,200                    | -                              | -                         | -                                   | 4,200         |
| Disposal of subsidiary           | -                        | -                              | (172)                     | -                                   | (172)         |
|                                  | <hr/>                    | <hr/>                          | <hr/>                     | <hr/>                               | <hr/>         |
| At 30 September 1996             | 4,200                    | 2,223                          | (1,485)                   | 22,394                              | 27,332        |
|                                  | <hr/>                    | <hr/>                          | <hr/>                     | <hr/>                               | <hr/>         |

The above reserves of £(1,485,000) include goodwill of £1,393,000 and negative goodwill of £145,000 arising on the acquisition of subsidiary undertakings during the year. Cumulative goodwill written off at 30 September 1996 was £1,320,000 (1995: capital reserve of £130,000).

JOHN HOLT GROUP LIMITED  
NOTES ON THE ACCOUNTS (continued)

22. RESERVES (continued)

|                                      | Share<br>Premium<br>£000 | Revaluation<br>Reserve<br>£000 | Other<br>reserves<br>£000 | Profit<br>& loss<br>account<br>£000 | Total<br>£000 |
|--------------------------------------|--------------------------|--------------------------------|---------------------------|-------------------------------------|---------------|
| Associates                           |                          |                                |                           |                                     |               |
| Opening balance<br>at 1 October 1995 | -                        | 11                             | -                         | 135                                 | 146           |
| Exchange adjustments                 | -                        | 1                              | -                         | 18                                  | 19            |
| Transfers                            | -                        | 10                             | -                         | (10)                                | -             |
| Retained loss                        | -                        | -                              | -                         | (233)                               | (233)         |
|                                      | <hr/>                    | <hr/>                          | <hr/>                     | <hr/>                               | <hr/>         |
| At 30 September 1996                 | -                        | 22                             | -                         | (90)                                | (68)          |
|                                      | <hr/>                    | <hr/>                          | <hr/>                     | <hr/>                               | <hr/>         |
| Group                                |                          |                                |                           |                                     |               |
| At 30 September 1996                 | 4,200                    | 2,245                          | (1,485)                   | 22,304                              | 27,264        |
|                                      | <hr/>                    | <hr/>                          | <hr/>                     | <hr/>                               | <hr/>         |
| At 30 September 1995                 | -                        | 1,935                          | 71                        | 18,958                              | 20,964        |
|                                      | <hr/>                    | <hr/>                          | <hr/>                     | <hr/>                               | <hr/>         |
| Territorial analysis                 |                          |                                |                           |                                     |               |
| United Kingdom                       | 4,200                    | 94                             | (347)                     | 18,023                              | 21,970        |
| Africa and the Middle East           | -                        | 2,151                          | (1,138)                   | 4,281                               | 5,294         |
|                                      | <hr/>                    | <hr/>                          | <hr/>                     | <hr/>                               | <hr/>         |
|                                      | 4,200                    | 2,245                          | (1,485)                   | 22,304                              | 27,264        |
|                                      | <hr/>                    | <hr/>                          | <hr/>                     | <hr/>                               | <hr/>         |

All minority interests arise in West Africa.

No provision has been made for additional United Kingdom and overseas taxes which may arise as a result of further profit distributions by subsidiaries and associates in overseas territories or on dividends declared or proposed not yet remitted.

The retained profit for the year, after adjustment for prior year Associated company dividends remitted in the current year, was:

|   | 1996<br>£000 | 1995<br>£000 |
|---|--------------|--------------|
| Company   | 2,116        | 2,569        |
| Subsidiary undertakings   | 655          | (1,349)      |
| Undertakings in which the company has a<br>participating interest | 93           | 38           |
|   | <hr/>        | <hr/>        |
|   | 2,864        | 1,258        |
|   | <hr/>        | <hr/>        |

23. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

|   | <u>GROUP</u> |              | <u>COMPANY</u> |              |
|---|--------------|--------------|----------------|--------------|
|   | 1996<br>£000 | 1995<br>£000 | 1996<br>£000   | 1995<br>£000 |
| Profit for the financial year                                   | 5,871        | 3,313        | 5,123          | 4,624        |
| Dividends   | (3,007)      | (2,055)      | (3,007)        | (2,055)      |
| Share capital issued  | 550          | -            | 550            | -            |
| Share premium on shares issued                                  | 4,200        | -            | 4,200          | -            |
|   | <hr/>        | <hr/>        | <hr/>          | <hr/>        |
| Other recognised gains and losses<br>relating to the year (net) | 7,614        | 1,258        | 6,866          | 2,569        |
|   | (764)        | (1,210)      | -              | -            |
|   | <hr/>        | <hr/>        | <hr/>          | <hr/>        |
| Net addition to<br>shareholders' funds                          | 6,850        | 48           | 6,866          | 2,569        |
| Opening shareholders' funds                                     | 24,464       | 24,416       | 16,650         | 14,081       |
|   | <hr/>        | <hr/>        | <hr/>          | <hr/>        |
| Closing shareholders' funds                                     | 31,314       | 24,464       | 23,516         | 16,650       |
|   | <hr/>        | <hr/>        | <hr/>          | <hr/>        |

24. CONTINGENT LIABILITIES

|                          | <u>GROUP</u> |              | <u>COMPANY</u> |              |
|--------------------------|--------------|--------------|----------------|--------------|
|                          | 1996<br>£000 | 1995<br>£000 | 1996<br>£000   | 1995<br>£000 |
| Guarantees - third party | 6            | 6            | 6              | 6            |
| - subsidiary undertaking | -            | -            | -              | -            |
| Deferred tax - (note 20) | 163          | 1,221        | -              | -            |
|                          | <hr/>        | <hr/>        | <hr/>          | <hr/>        |
|                          | 169          | 1,227        | 6              | 6            |
|                          | <hr/>        | <hr/>        | <hr/>          | <hr/>        |

25. COMMITMENTS UNDER OPERATING LEASES

At 30 September there were annual commitments under operating leases as follows:

|                                | <u>1996</u>                 |               | <u>1995</u>                 |               |
|--------------------------------|-----------------------------|---------------|-----------------------------|---------------|
|                                | Land &<br>Buildings<br>£000 | Other<br>£000 | Land &<br>Buildings<br>£000 | Other<br>£000 |
| GROUP                          |                             |               |                             |               |
| Expiring within 1 year         | -                           | -             | -                           | -             |
| Expiring between 1 and 5 years | 241                         | -             | 69                          | -             |
|                                | <hr/>                       | <hr/>         | <hr/>                       | <hr/>         |
|                                | 241                         | -             | 69                          | -             |
|                                | <hr/>                       | <hr/>         | <hr/>                       | <hr/>         |
|                                | <hr/>                       | <hr/>         | <hr/>                       | <hr/>         |
|                                | <u>1996</u>                 |               | <u>1995</u>                 |               |
|                                | Land &<br>Buildings<br>£000 | Other<br>£000 | Land &<br>Buildings<br>£000 | Other<br>£000 |
| COMPANY                        |                             |               |                             |               |
| Expiring between 1 and 5 years | 69                          | -             | 69                          | -             |
|                                | <hr/>                       | <hr/>         | <hr/>                       | <hr/>         |

26. OBLIGATIONS UNDER FINANCE LEASES

|                                      | <u>GROUP</u>      |                   | <u>COMPANY</u>    |                   |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                      | 1996              | 1995              | 1996              | 1995              |
|                                      | £000              | £000              | £000              | £000              |
| Net obligations under finance leases | 1,429             | 675               | -                 | 1                 |
|                                      | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |
| Repayable as follows:                |                   |                   |                   |                   |
| Within 1 year                        | 952               | 374               | -                 | 1                 |
| Between 1 and 2 years                | 477               | 301               | -                 | -                 |

27. HOLDING COMPANY

The smallest group into which the results of the Group are consolidated is Lonrho Africa Limited, which is incorporated and registered in England. The largest higher group into which the results of the Group are consolidated is Lonrho Plc, which is incorporated and registered in England. Lonrho Plc is also the ultimate parent company.

The address from which copies of their group accounts may be obtained is as follows:

Lonrho Plc,  
4 Grosvenor Place,  
London  
SW1X 7DL

28. PENSION COSTS

The major Scheme to which the group contributes is the John Holt Pension Scheme which is of the funded defined benefit type. The assets of the Scheme are held under trust with an independent trustee administered fund. In addition, the group contributes to a separate pension scheme in Nigeria.

The pension contributions relating to the John Holt Pension Scheme are assessed in accordance with the advice of a qualified actuary using the attained age method. The latest actuarial valuation of this Scheme was at 31 March 1996, and the actuary has reviewed the pension costs in the light of this revaluation. The assumptions which had the most significant effect on the results of the valuation were those relating to the rate of return on new investments and the rate of increase in salaries and pension. It was assumed that the investment return would be 8.5% per annum, that salary increases would average 7.5% per annum, and that present and future pensions in excess of the Guarantee Minimum Pension (where applicable) would increase at the rate of 6.5% per annum. The Scheme is funded using the same assumptions and actuarial method.

At the 31 March 1996, the market value of the fund was £43,906,504, plus non-realizable insurance contracts of £32,497,000. The actuarial value of the assets represented 140% of the benefits that accrued to members.

In view of the surplus within the scheme, no amounts are charged to the profit and loss account. An amount of £1,210,000 credited to administration costs (1995: £394,741) relates to the amortisation of the excess of the Scheme surplus over the regular contributions of £599,000 (1995: £534,102), and is assessed in accordance with SSAP 24.

The Balfour Williamson Group operated a pension scheme in the United Kingdom to provide retirement benefits for members. The total pension cost was £36,000. On 29 February 1996 the assets and liabilities of the pension scheme were transferred to the John Holt Pension Scheme and on 28 October 1996 the pension scheme was wound up. As a result of the transfer of the pension scheme a pension provision of £376,000 was written back to the profit and loss account.

29. ACQUISITIONS DURING THE YEAR

On 1 October 1995 John Holt Group Limited acquired 100% of the share capital of Balfour, Williamson & Co. Limited (including the subsidiaries, associates and investments in Balfour, Williamson & Co. Limited as at that date) and Lonrho Exports Limited from a fellow subsidiary undertaking. The cost of acquisition and fair values of the net assets acquired are as follows:

|   | Balfour<br>Williamson & Co.<br>Limited<br>£000 | Lonrho Exports<br>Limited<br>£000 |
|---|--|-----------------------------------|
| Analysis of assets and liabilities acquired |  |                                   |
| Fixed assets - tangible                     | 394  | -                                 |
| - investments                               | 774  | -                                 |
| Debtors                                     | 5,197  | 3,439                             |
| Cash at bank and in hand                    | 375  | 168                               |
| Creditors                                   | (2,067)  | (3,515)                           |
|   | <hr/>  | <hr/>                             |
| Net Assets                                  | 4,673  | 92                                |
|   | <hr/>  | <hr/>                             |

The consideration for the purchase of the whole of the issued share capital of Balfour, Williamson & Co. Limited and Lonrho Exports Limited was satisfied by the issue of 550,000 £1 ordinary shares in the company, with 500,000 shares at a premium of £8.40 per share.

The above acquisitions have been accounted for by the acquisition method of accounting.

Negative goodwill of £15,000 arose on the acquisition and is included in other reserves.

The creditors above include £376,000 pension provision, which was released during the current year.

The (loss)/profit after taxation and minority interests for Balfour, Williamson & Co. Limited and Lonrho Exports Limited for the year ended 30 September 1995 was £(520,000) and £26,000 respectively.

In addition, during the year the Group acquired an additional 5% interest through nominee accounts in the shares of John Holt Plc at a total cost of £2,105,000. Goodwill written off to other reserves in relation to this acquisition was £1,393,000.

The company also acquired from a fellow subsidiary undertaking 100% of the share capital of Miles Ashworth Limited and BB Rochdale Limited at a cost of £340,000 which represented the fair value of net assets acquired. Negative goodwill of £130,000 arose in connection with the acquisition of these two companies and is included in other reserves.

30. POST BALANCE SHEET EVENTS

On 1 October 1996 John Holt Group Limited acquired a 51% interest in LonMadi Joint Stock Company and 100% interest in Lonrho Eastern Limited from a fellow subsidiary undertaking.



JOHN HOLT GROUP LIMITED  
NOTES ON THE ACCOUNTS (continued)

31. PRINCIPAL SUBSIDIARY AND ASSOCIATE UNDERTAKINGS INCLUDED IN THE  
CONSOLIDATION OF JOHN HOLT GROUP LIMITED

- (i) The class of shares held are ordinary and the direct interest is also the proportion of voting rights.
- (ii) Companies marked \* are held by subsidiary undertakings.
- (iii) The companies marked A\* are associated undertakings.
- (iv) John Holt Plc is considered a subsidiary undertaking under Section 258(4) of the Companies Act 1985 and is therefore consolidated.

|   |                          | 1996               |                        | 1995               |                        |
|---|--------------------------|--------------------|------------------------|--------------------|------------------------|
|   | Country<br>Incorporation | Direct<br>Interest | Beneficial<br>Interest | Direct<br>Interest | Beneficial<br>Interest |
| General trade, motors, engineering,<br>finance and property |                          |                    |                        |                    |                        |
| * John Holt Plc   | Nigeria                  | 45%                | 45%                    | 40%                | 40%                    |
| A* Yamaha Manufacturing (Nigeria) Ltd.                      | Nigeria                  | 25%                | 11%                    | 25%                | 10%                    |
| * Western Holdings Ltd.                                     | Nigeria                  | 58%                | 26%                    | 58%                | 23%                    |
| John Holt & Company (Liverpool) Ltd.                        | England                  | 100%               | 100%                   | 100%               | 100%                   |
| Balfour, Williamson & Co. Ltd.                              | England                  | 100%               | 100%                   | -                  | -                      |
| Lonrho Exports Limited                                      | England                  | 100%               | 100%                   | -                  | -                      |
| * Intramar Limited  | England                  | 100%               | 100%                   | -                  | -                      |
| A* The Malawi Finance Company Limited                       | England                  | 40%                | 40%                    | -                  | -                      |
| A* Malawi International Transport Company Limited           | Malawi                   | 40%                | 40%                    | -                  | -                      |
| A* Malawi Insurance Brokers Limited                         | Malawi                   | 40%                | 40%                    | -                  | -                      |
| A* Oman International Group LLC                             | Oman                     | 22%                | 22%                    | -                  | -                      |
| A* European Project Consultants SA                          | Belgium                  | 50%                | 50%                    | -                  | -                      |
| A* Integration-Polska Sp.z.o.o.                             | Poland                   | 25%                | 25%                    | -                  | -                      |
| Miles Ashworth Limited                                      | England                  | 100%               | 100%                   | -                  | -                      |
| BB Rochdale Limited   | England                  | 100%               | 100%                   | -                  | -                      |

OTHER INVESTMENTS

|  |         |     |     |     |     |
|--|---------|-----|-----|-----|-----|
| * Campbell Company Incorporated            | U.S.A.  | 32% | 32% | 32% | 32% |
| * Standard Industrial Development Co. Ltd. | Nigeria | -   | -   | 10% | 10% |
| I & E Malawi Limited                       | Malawi  | 14% | 14% | 14% | 14% |