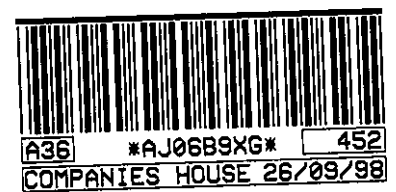


**ELECTRA SECURITIES LIMITED**

**REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED  
30TH SEPTEMBER 1997**



**REGISTERED NUMBER  
1552598**

# **ELECTRA SECURITIES LIMITED**

## **Board of Directors**

Hugh Anthony Lewis Holland Mumford  
Philip John Dyke  
Robert John Lewis  
Alfred Merton Vinton  
Kalvin Brett Booth (Alternate Director for P J Dyke)  
Stephen Daryl Ozin (Alternate Director for R J Lewis)

## **Secretary and Registered Office**

Philip John Dyke  
65 Kingsway,  
London  
WC2B 6QT

# **ELECTRA SECURITIES LIMITED**

## **Report of the Directors**

The Directors present their Report and the Accounts of the Company for the year ended 30th September 1997.

### **PRINCIPAL ACTIVITY AND BUSINESS REVIEW**

The Company's principal activity has remained that of an investment dealing company. The Company has traded profitably for the year under review and is expected to trade profitably in the future.

### **RESULTS AND DIVIDEND**

The profit for the year after taxation amounted to £407,325. The Directors do not recommend the payment of a dividend, leaving the sum of £407,325 to be transferred to the profit and loss account.

### **DIRECTORS**

Mr H A L H Mumford, Mr P J Dyke, Mr R J Lewis and Mr A M Vinton were Directors of the Company throughout the year ended 30th September 1997. Mr D F Osborne resigned as a Director on 31st December 1996. No other person was a Director during any part of the year under review. Mr K B Booth and Mr S D Ozin were appointed as alternative directors on 4th August 1997.

### **DIRECTORS' INTERESTS**

The interests of the Directors and of their families, all of which are beneficial except where noted, in the share capital of the Company's holding company, Electra Investment Trust P.L.C. ("EIT") are set out below. Other than as here disclosed no Director had any notifiable interests in the securities of any further subsidiary of EIT or in the securities of the Company.

Director	Number of Ordinary Shares in EIT	
	30.9.97	1.10.96
H A L H Mumford	43,261	43,261
K B Booth (alternative)	1,861	1,861
P J Dyke	2,570	1,070
R J Lewis	2,841	2,841
S D Ozin (alternative)	386	386
A M Vinton	3,145	3,145

## **ELECTRA SECURITIES LIMITED**

### **Report of the Directors (*Continued*)**

#### **ELECTIVE RESOLUTIONS**

By a written resolution dated 8th December 1992 elective resolutions were approved whereby the Company is no longer required to hold Annual General Meetings, with the result that Coopers & Lybrand will continue as Auditors, and the Directors are no longer required to lay Accounts before the Company in the general meeting.



By Order of the Board of Directors  
P J Dyke, Secretary  
65 Kingsway, London WC2B 6QT

15th December 1997

## **ELECTRA SECURITIES LIMITED**

### **Directors' Responsibilities for Preparing the Accounts**

The Directors are required by UK company law to prepare Accounts 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 its profit or loss and total recognised gains or losses for that period.

The Directors confirm that suitable accounting policies have been adopted and applied consistently, and reasonable and prudent judgements and estimates have been made in the preparation of the Accounts for the year ended 30 September 1997. The Directors also confirm that applicable Accounting Standards have been followed and that the Accounts have been prepared on the going concern basis.

The Directors are responsible for keeping proper accounting records, for safeguarding the assets of the Company and for taking reasonable steps to prevent and detect fraud and other irregularities.

## **ELECTRA SECURITIES LIMITED**

### **Report of the Auditors to the Members of Electra Securities Limited**

We have audited the Accounts on pages 6 to 10.

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 4 the Company's Directors are responsible for the preparation of the Accounts. It is our responsibility to form an independent opinion, based on our audit, on those Accounts and to report our opinion to you.

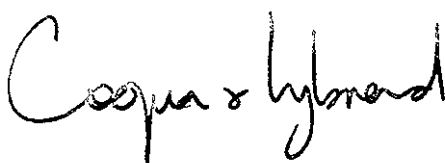
#### **BASIS OF OPINION**

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 Accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the Accounts, 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 Accounts 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 Accounts.

#### **OPINION**

In our opinion the Accounts give a true and fair view of the state of affairs of the Company at 30th September 1997 and of its profit, total recognised gains and losses for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Coopers & Lybrand  
Chartered Accountants and Registered Auditors  
London

15th December 1997

# ELECTRA SECURITIES LIMITED

## Profit and Loss Account

		Year ended 30th September 1997	Year ended 30th September 1996
	Note	£	£
Net trading profit	3	531,229	251,322
Operating expenses	5	3,081	3,046
<b>Operating Profit</b>		<b>528,148</b>	<b>248,276</b>
Other Income	4	63,537	26,657
Interest payable		809	470
<b>Profit on Ordinary Activities before Taxation</b>		<b>590,876</b>	<b>274,463</b>
Taxation	7	183,551	92,181
<b>Profit on Ordinary Activities after Taxation</b>		<b>407,325</b>	<b>182,282</b>
<b>Retained Profits brought forward</b>		<b>1,094,475</b>	<b>912,193</b>
<b>Retained Profits carried forward</b>		<b>1,501,800</b>	<b>1,094,475</b>

All results and comparatives shown in the profit and loss account above are from continuing operations.

The Company has no recognised gains and losses other than those included in the profit and loss account as shown above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the results shown above and the results on an unmodified historical cost basis, therefore no separate note of historical cost profit or losses has been presented.

# ELECTRA SECURITIES LIMITED

## Balance Sheet

		30th September 1997	30th September 1996
	Note	£	£
<b>Current Assets</b>			
Investments	8	963,745	4,671,593
Trade debtors		128,415	53,480
Amounts due from parent undertaking		189,299	-
Cash at bank and in hand		547,614	566,240
		1,829,073	5,291,313
<b>Creditors</b>			
Amounts falling due within one year:-			
Amounts due to parent undertaking		-	3,998,953
Corporation tax payable		227,273	97,885
		227,273	4,096,838
<b>Net Assets</b>		1,601,800	1,194,475
<b>Capital and Reserves</b>			
Called-up share capital	9	100,000	100,000
Profit and loss account		1,501,800	1,094,475
<b>Total Shareholders' Funds</b>	10	1,601,800	1,194,475

The Accounts on pages 6 to 10 were approved by the Board of Directors on 15th December 1997 and were signed on its behalf by:-



R J Lewis *Director*



# ELECTRA SECURITIES LIMITED

## Notes to the Accounts

### 1. ACCOUNTING POLICIES

The Accounts have been prepared in accordance with applicable Accounting Standards in the United Kingdom. The more significant accounting policies are listed below:

- (a) The Accounts have been prepared under the historical cost convention modified to include the revaluation of certain assets.
- (b) Investment income is included on a due date basis. Interest receivable and payable and all other expenses are treated on the accruals basis.
- (c) Investments and options are individually stated at the lower of cost and the value at middle market prices in respect of listed investments, and at values determined by the Directors in respect of unlisted investments and options. Options are stated at values determined on an individual bargain basis using lowest prices for purchases and highest prices for sales.
- (d) Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Profit and Loss Account.
- (e) The Company is a wholly owned subsidiary of a EU company which publishes consolidated accounts that include a consolidated cash flow statement and therefore is not required to produce a cash flow statement.

### 2. TURNOVER

As the Company's trade involves dealings in investments, commodities, futures and options, the Directors consider it is not possible to compute a value for turnover which would not be misleading.

	Year ended 30th September 1997 £	Year ended 30th September 1996 £
3. NET TRADING PROFIT		
Profit from investment dealing	253,612	250,324
Underwriting commission	277,617	998
	<u>531,229</u>	<u>251,322</u>
4. OTHER INCOME		
Income from current asset investments: Franked	49,374	6,635
Income from current asset investments: Unfranked	-	10,963
Interest receivable	14,163	9,059
Net trading profit	<u>63,537</u>	<u>26,657</u>

# ELECTRA SECURITIES LIMITED

## Notes to the Accounts (*Continued*)

	Year ended 30th September 1997 £	Year ended 30th September 1996 £
5. <b>EXPENSES</b>		
Management expenses	3,081	3,046

The 1997 and 1996 audit fees have been borne by another group company.

## 6. **DIRECTORS AND EMPLOYEES**

No remuneration was paid to the Directors (1996 : £Nil). There are no employees of the Company (1996 : None).

	Year ended 30th September 1997 £	Year ended 30th September 1996 £
7. <b>TAXATION</b>		
UK Corporation tax		
Current year	173,876	88,661
Tax credits on franked investment income	9,675	3,520
	183,551	92,181

The corporation tax rate in the United Kingdom was reduced from 33% to 31% from 31st March 1997. The corporation tax charge for the period to 30th September 1997 has been based on the average rate of tax for the period of 32%.

	30th September 1997 £	30th September 1996 £
8. <b>CURRENT ASSET INVESTMENTS</b>		
Unlisted - Overseas	-	3,853,631
Listed - Great Britain	963,745	817,962
	963,745	4,671,593

The market value of current listed investments at 30th September 1997 is £983,762 (1996 : £844,378).

# ELECTRA SECURITIES LIMITED

## Notes to the Accounts (*Continued*)

	30th September 1997	30th September 1996
	£	£
<b>9. SHARE CAPITAL</b>		
Authorised		
1,000,000 Ordinary shares of £1 each	1,000,000	1,000,000
Allotted, issued, called-up and fully paid		
100,000 Ordinary shares of £1 each	100,000	100,000
<b>10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</b>		
Profit for the financial year	407,325	182,282
Opening shareholders' funds	1,194,475	1,012,193
Closing shareholders' funds	1,601,800	1,194,475
<b>11. ULTIMATE HOLDING COMPANY</b>		
The ultimate holding company is Electra Investment Trust P.L.C., a company incorporated in Great Britain and registered in England and Wales. Copies of the financial statements are available from the Secretary of the Company at 65 Kingsway, London WC2B 6QT.		
<b>12. RELATED PARTY TRANSACTIONS</b>		
Advantage has been taken of the exemption available under Financial Reporting Standard 8 (Related Party Disclosures) not to disclose transactions between entities, 90% or more of whose voting rights are controlled within the group.		