

2036243

Jupiter Tyndall Merlin Limited

Report and Financial Statements

31 December 1993



 **ERNST & YOUNG**

Jupiter Tyndall Merlin Limited

Registered No. 2036243

DIRECTORS

J L Duffield (Chairman)
M F Heathcoat Amory (Managing Director)
M R L Astor
J H D Carey
K S Cliff
J E Craig
J C R D'Albiac
M Fone
J Janson
R P Pease
T C Pilkington
T M Tennant
R M A Allison
J Hamilton
L S Licht
J N Robinson
R E M Bland
P A Butt
M P Jackson

SECRETARY

R H Ridout

AUDITORS

Ernst & Young
Rolls House
7 Rolls Buildings
Fetter Lane
London EC4A 1NH

BANKERS

Tyndall & Co
29/33 Princess Victoria Street
Clifton
Bristol BS8 4RX

Royal Bank of Scotland PLC
67 Lombard Street
London EC3P 3DL

REGISTERED OFFICE

Knightsbridge House
197 Knightsbridge
London SW7 1RB



ERNST & YOUNG

Jupiter Tyndall Merlin Limited

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 December 1993.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS DEVELOPMENTS

The company continues to act as investment managers and corporate secretaries.

The company is a member of the Investment Management Regulatory Organisation Limited.

RESULTS AND DIVIDENDS

The results for the year are set out in the profit and loss account on page 6.

The directors recommend a dividend of £700,000 (1992 - £nil), leaving a retained profit for the year of £118,218.

FIXED ASSETS

The movements in fixed assets are set out in note 6 to the financial statements

DIRECTORS AND THEIR INTERESTS

The directors of the company at the date of this report are shown on page 2.

M P Jackson was appointed on 17 June 1993, P A Butt was appointed on 1 October 1993 and R E M Bland was appointed on 6 December 1993.

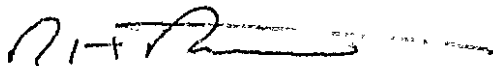
No director had any interest in the shares of the company.

The interests of the directors of the company who are also directors of the ultimate holding company, Jupiter Tyndall Group PLC, in the shares of the ultimate holding company are discussed in the accounts of that company.

AUDITORS

A resolution to re-appoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the board



Secretary

26 April 1994



Jupiter Tyndall Merlin Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are required under company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

The directors consider that in the financial statements appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates have been applied and that applicable accounting standards have been followed. The financial statements have been prepared on a going concern basis.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent fraud and other irregularities.

REPORT OF THE AUDITORS

to the members of Jupiter Tyndall Merlin Limited

We have audited the financial statements on pages 6 to 12, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

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

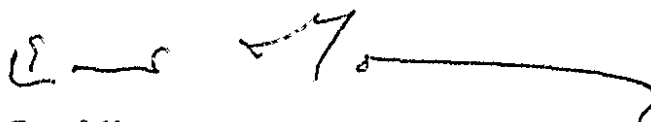
Basis of opinion

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 31 December 1993 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young

Chartered Accountants

Registered Auditor

London

26 April 1994

Jupiter Tyndall Merlin Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 1993

	Notes	1993 £	1992 £
TURNOVER	2	4,271,405	3,527,117
Other operating income		149,624	159,821
Administrative expenses		(3,619,864)	(2,420,641)
OPERATING PROFIT	3	801,165	1,266,297
Interest receivable		17,053	52,224
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		818,218	1,318,521
Taxation	5	-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		818,218	1,318,521
Dividends		(700,000)	-
RETAINED PROFIT FOR THE YEAR		118,218	1,318,521
Retained profit brought forward		2,279,054	960,533
RETAINED PROFIT CARRIED FORWARD		2,397,272	2,279,054

All items dealt with in arriving at operating profit for both 1993 and 1992 relate to continuing activities.

Recognised gains and losses

There are no recognised gains or losses other than the profit attributable to shareholders of the company of £818,218 in the year ended 31 December 1993 and of £1,318,521 in the year ended 31 December 1992.

Jupiter Tyndall Merlin Limited

BALANCE SHEET

at 31 December 1993

	Note	1993 £	1992 £
FIXED ASSETS			
Tangible fixed assets	6	90,413	114,731
Investment in subsidiaries	7	942,259	942,259
		<u>1,032,672</u>	<u>1,056,990</u>
CURRENT ASSETS			
Debtors	8	2,639,920	3,240,939
Current asset investments	9	398,362	30,213
Cash at bank and in hand		1,010,920	142,196
		<u>4,049,202</u>	<u>3,413,348</u>
CREDITORS: amounts falling due within one year	10	<u>1,567,418</u>	<u>1,074,100</u>
NET CURRENT ASSETS		<u>2,481,784</u>	<u>2,339,248</u>
TOTAL ASSETS LESS LIABILITIES		<u>3,514,456</u>	<u>3,396,238</u>
CAPITAL AND RESERVES			
Share capital	11	370,370	370,370
Share premium account		316,665	316,665
Profit and loss account		2,397,272	2,279,054
Other reserves		430,149	430,149
		<u>3,514,456</u>	<u>3,396,238</u>

The financial statements were approved by the board on 26 April 1994

Director



Jupiter Tyndall Merlin Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 1993

1. ACCOUNTING POLICIES

Accounting convention

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

Tangible fixed assets

Tangible fixed assets are depreciated on a straight line basis calculated to write off the cost of such assets over their anticipated useful lives. The following depreciation rates are applied:

Short leasehold property	-	over the period of the lease
Furniture and equipment	-	5 years
Motor vehicles	-	4 years
Computer and electronic equipment	-	3 years

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the rate 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 profit and loss account.

Pension scheme

The company operates two defined contribution pension schemes. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the schemes.

Deferred taxation

The company makes provision for deferred taxation on the liability basis to the extent that there is reasonable probability that such deferred taxation will be payable in the foreseeable future.

Fixed asset investments

Investments in subsidiary undertakings are stated at the lower of cost and directors' valuation.

2. TURNOVER

Turnover is stated net of value added tax and represents fees receivable in respect of investment management and secretarial services, commission receivable and profit on sale of securities.

Turnover and profit before taxation relate to the one class of business activity, namely investment management activity. In the opinion of the directors it is neither practicable nor in the best interest of the company to analyse turnover and attributable profits between earnings from UK clients and overseas advisory clients.

Turnover includes:

	1993	1992
	£	£
Management fees receivable from group undertakings	438,264	388,663

Jupiter Tyndall Merlin Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 1993

3. OPERATING PROFIT

Operating profit is stated after charging:

	1993	1992
	£	£
Depreciation	61,620	73,799
Auditors' remuneration - audit	15,000	15,000
- other services	11,000	6,000
Operating lease rentals - property	-	91,541

4. STAFF COSTS AND DIRECTORS' EMOLUMENTS

Employee costs, including directors' emoluments:

	1993	1992
	£	£
Wages and salaries	1,491,041	1,085,104
Social security costs	162,026	122,275
Employers' pension contributions	183,381	141,816
	<u>1,836,448</u>	<u>1,349,195</u>

	<i>Number of employees</i>	
	1993	1992
The average number of persons employed, including directors during the year:	49	40

The company contributes to two defined contribution pension schemes for the benefit of its employees. No liability is included in the balance sheet as no obligations were outstanding at the balance sheet date.

	1993	1992
	£	£
Directors' emoluments comprise:		
Fees	168,520	-
Other emoluments	529,513	532,865
	<u>698,033</u>	<u>532,865</u>

Jupiter Tyndall Merlin Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 1993

4. STAFF COSTS AND DIRECTORS' EMOLUMENTS (continued)

The emoluments, excluding pension contributions, of directors of the company were as follows:

	1993 £	1992 £
Highest paid director	86,720	70,865

Other directors:	Number of directors	
	1993	1992
£5,001 - £10,000	1	1
£10,001 - £15,000	1	-
£25,001 - £30,000	-	2
£30,001 - £35,000	1	1
£35,001 - £40,000	-	1
£45,001 - £50,000	1	2
£50,001 - £55,000	1	-
£55,001 - £60,000	2	3
£60,001 - £65,000	1	-
£70,001 - £75,000	2	1
£85,001 - £90,000	2	-

The emoluments of the Chairman and other directors who are also the directors of Jupiter Tyndall Group PLC are disclosed in the accounts of that company.

5. TAXATION

There is no charge for taxation as group relief is available for set off against taxable profits.

6. TANGIBLE FIXED ASSETS

	Short leasehold property £	Furniture £	Computer and electronic equipment £	Motor vehicles £	Total £
Cost:					
At 1 January 1993	44,775	77,106	116,846	183,078	421,805
Additions	-	1,098	15,538	56,060	72,696
Disposals	-	-	-	(66,034)	(66,034)
At 31 December 1993	44,775	78,204	132,384	173,104	428,467
Depreciation					
At 1 January 1993	43,005	69,700	100,881	93,488	307,074
Charge for the year	1,770	4,121	14,091	41,638	61,620
Disposals	-	-	-	(30,640)	(30,640)
At 31 December 1993	44,775	73,821	114,972	104,486	338,054
Net book value:					
At 31 December 1993	-	4,383	17,412	68,618	90,413
At 31 December 1992	1,770	7,406	15,965	89,590	1,731

Jupiter Tyndall Merlin Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 1993

7. INVESTMENT IN SUBSIDIARIES

£

At 1 January 1993 and at 31 December 1993

942,259

In the opinion of the directors, the aggregate value of the investment in subsidiary undertakings is not less than the amount at which they are stated in the financial statements.

The principal operating wholly owned subsidiary is Jupiter Merlin Unit Trust Managers Limited, which is incorporated in England and Wales and operates as a unit trust management company.

8. DEBTORS

	1993 £	1992 £
Trade debtors	1,377,210	860,247
Other debtors	540,701	543,546
Prepayments and accrued income	16,950	9,077
Amount due from ultimate parent undertaking	-	427,693
Taxation	493,861	492,686
Amounts due from fellow subsidiary undertakings	211,198	907,690
	<u>2,639,920</u>	<u>3,240,939</u>

Included in other debtors are advances of £12,500 (1992 - £19,250) to certain members of staff for the purpose of purchasing shares in the group in accordance with section 153 (4) (c) of the Companies Act 1985. The loans, which bear interest at 10% per annum, are repayable on the earlier of:

- the date that the borrower repays the loan; or
- the date that the borrower ceases to be employed by the company; or
- the date that the borrower disposes of the shares; or
- 23 March 1999

9. CURRENT ASSET INVESTMENTS

	1993 £	1992 £
UK listed investments	369,377	2,670
UK unlisted investments	28,985	27,543
	<u>398,362</u>	<u>30,213</u>

Jupiter Tyndall Merlin Limited
NOTES TO THE FINANCIAL STATEMENTS
at 31 December 1993

10. CREDITORS: amounts falling due within one year

	1993 £	1992 £
Trade creditors	14,544	107,500
Amount due to parent undertaking	12,004	-
Amount due to subsidiary undertakings	297,720	313,256
Amounts due to fellow subsidiary undertakings	372,233	2,964
Other taxes and social security costs	343,495	203,816
Other creditors	5,565	3,135
Accruals and deferred income	521,857	443,429
	<u>1,567,418</u>	<u>1,074,100</u>

11. SHARE CAPITAL

	1993 £	1992 £
Authorised: 400,000 ordinary shares of £1 each	<u>400,000</u>	<u>400,000</u>
Authorised, allotted and fully paid: 370,370 ordinary shares of £1 each	<u>370,370</u>	<u>370,370</u>

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1993 £	1992 £
Profit after taxation	818,218	1,318,521
Dividends	(700,000)	-
Capital contribution	-	430,149
Net addition to shareholders' funds	<u>118,218</u>	<u>1,748,670</u>
At 1 January	<u>3,396,238</u>	<u>1,647,568</u>
At 31 December	<u>3,514,456</u>	<u>3,396,238</u>

13. ULTIMATE HOLDING COMPANY

The ultimate holding company is Jupiter Tyndall Group PLC which is registered in England and Wales. The results of the company have been included in the consolidated accounts of Jupiter Tyndall Group PLC which are available from the Secretary, Jupiter Tyndall Merlin Limited, 197 Knightsbridge, London, SW7 1RB.

These financial statements present information about the company and not its group. The company has taken advantage of Section 228 of the Companies Act 1985 not to prepare group accounts.