

**BROWN SHIPLEY VENTURE MANAGERS LIMITED**

**DIRECTORS' REPORT**

The Directors present their report and accounts for the year ended 31 March 1995 which were approved at a meeting on 9 May 1995.

**PRINCIPAL ACTIVITY AND BUSINESS REVIEW**

The principal activity of the Company continues to be that of an investment fund manager. During the current year this business has been maintained on a similar pattern and scale, and will continue to do so in the foreseeable future.

**RESULTS**

	£
Profit for the year after taxation	348,666
Dividends paid and payable	(348,666)
Profit and loss account carried forward	=====

**DIVIDEND**

The Board recommends a final dividend of £95.07 per 'A' Ordinary Share for the year ended 31 March 1995 to be paid on the date of this report.

**FIXED ASSETS**

Significant changes in fixed assets are detailed in note 7 to the accounts.

**DIRECTORS**

The directors during the year were:

R M Mansell-Jones (Chairman)  
 D J Wills (Managing Director)  
 C R F Kemp  
 R D Parker  
 M J Hallala  
 A D Moye (Appointed 9 November 1994)  
 R V Thompson (Appointed 9 November 1994)  
 T M Trowell (Resigned 30 September 1994)

The company maintains a Directors and Officers Liability insurance policy in respect of the company's directors and officers.



## **BROWN SHIPLEY VENTURE MANAGERS LIMITED**

### **DIRECTORS' REPORT (Continued)**

#### **DIRECTORS' INTERESTS**

The following directors had direct and beneficial interests in the shares of the Company at 1 April 1994 and 31 March 1995:

	<b>'A' Ordinary Shares of £1 each fully paid</b>
D J Wills	980
C R F Kemp	735
R D Parker	735

No director had any direct or beneficial interest in the shares of the ultimate parent undertaking, Kredietbank S.A. Luxembourgeoise, or any fellow subsidiary.

#### **DIRECTORS' RESPONSIBILITIES**

The directors are required by UK company law to prepare financial statements for each financial year that 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 or loss of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 March 1995. The directors also confirm that applicable accounting standards have been followed and that the financial statements 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **AUDITORS**

A resolution to re-appoint the auditors, Coopers & Lybrand, will be proposed at the annual general meeting.

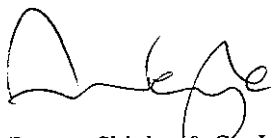
**BROWN SHIPLEY VENTURE MANAGERS LIMITED**

**DIRECTORS' REPORT (Continued)**

**ANNUAL GENERAL MEETING**

The fourth Annual General Meeting of the Company will be held at Founders Court, Lothbury, London EC2R 7HE at 2.00pm on 9 May 1995.

By order of the Board

A handwritten signature in dark ink, appearing to be 'A. G. Brown', written over the company name.

Brown, Shipley & Co. Limited  
**Secretaries**

Founders Court  
Lothbury  
London EC2R 7HE

9 May 1995

**BROWN SHIPLEY VENTURE MANAGERS LIMITED**

**PROFIT AND LOSS ACCOUNT**

**for the year ended 31 March 1995**

	Note	1995	1994
		£	£
<b>TURNOVER</b>	2	1,595,366	1,528,201
<b>ADMINISTRATIVE EXPENSES</b>	2	(1,105,367)	(1,096,703)
<b>OPERATING PROFIT</b>		489,999	431,498
<b>INTEREST RECEIVABLE AND SIMILAR INCOME</b>			
Bank interest		14,854	16,491
<b>OTHER INCOME</b>			
Profit on disposal of fixed asset		—	2,134
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		504,853	450,123
Taxation	5	(156,187)	(143,338)
<b>PROFIT AFTER TAXATION FOR THE FINANCIAL YEAR</b>		348,666	306,785
Dividends	6	(348,666)	(306,785)
<b>RETAINED PROFIT CARRIED FORWARD</b>		—	—

The Company has no recognised gains or losses other than those included in the profits above and, therefore, no separate statement of total recognised gains and losses has been prepared.

There is no difference between the profit on ordinary activities before taxation and the profit for the year stated above, and their historical cost equivalents.

The profit for the year above arises solely from continuing operations.

The notes on pages 7 to 11 form part of these accounts.

**BROWN SHIPLEY VENTURE MANAGERS LIMITED**

**BALANCE SHEET**

at 31 March 1995

	Note	1995	1994
		£	£
<b>FIXED ASSETS</b>			
Tangible fixed assets	7	<u>43,512</u>	<u>76,897</u>
<b>CURRENT ASSETS</b>			
Others debtors			
- due within one year		44,597	44,181
- due after one year	8	58,231	27,089
Prepayments		22,114	29,138
Cash at bank and in hand		<u>296,512</u>	<u>125,244</u>
		421,454	225,652
<b>CURRENT LIABILITIES</b>			
Creditors: amounts falling due within one year			
Amounts due to parent undertaking		( 17,684)	( 6,077)
Other creditors and accruals		( 45,840)	( 65,946)
Corporation tax		(101,080)	( 85,311)
ACT payable		( 62,437)	( 31,858)
Dividend payable		<u>(232,925)</u>	<u>(108,357)</u>
		(459,966)	(297,549)
<b>NET CURRENT LIABILITIES</b>		<u>( 38,512)</u>	<u>( 71,897)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>5,000</u>	<u>5,000</u>
		<u>£5,000</u>	<u>£5,000</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	5,000	5,000
Profit and loss account		—	—
Equity Shareholders' Funds		<u>2,450</u>	<u>2,450</u>
Non-equity Shareholders' Funds		<u>2,550</u>	<u>2,550</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u>£5,000</u>	<u>£5,000</u>

Approved by the Board on 9 May 1995

D J Wills

)

*David Wills*

)

Directors

M J Hallala

)

*M. J. Hallala*

The notes on pages 7 to 11 form part of these accounts.

**BROWN SHIPLEY VENTURE MANAGERS LIMITED**

**CASH FLOW STATEMENT**

**for the year ended 31 March 1995**

	Note	1995	1994
		£	£
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	1	<u>523,142</u>	<u>417,031</u>
<b>RETURNS ON INVESTMENTS AND CONTINUING SERVICING OF FINANCE</b>			
Interest received		13,512	16,621
Dividends paid		<u>(224,097)</u>	<u>(199,872)</u>
<b>NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		<u>(210,585)</u>	<u>(183,251)</u>
<b>TAXATION</b>			
UK corporation tax paid		<u>(140,981)</u>	<u>(139,747)</u>
<b>INVESTING ACTIVITIES</b>			
Sale of tangible fixed assets		-	5,500
Purchase of tangible fixed assets		<u>( 308)</u>	<u>( 33,790)</u>
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>		<u>( 308)</u>	<u>( 28,290)</u>
<b>NET CASH INFLOW BEFORE FINANCING</b>		<u>£171,268</u>	<u>£65,743</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	2	<u>£171,268</u>	<u>£65,743</u>

# BROWN SHIPLEY VENTURE MANAGERS LIMITED

## NOTES TO THE CASH FLOW STATEMENT

1. Reconciliation of operating profit to net cash inflow from continuing operating activities

	1995	1994
	£	£
Operating profit	489,999	431,498
Depreciation charges	33,693	35,814
Decrease in debtors	925	74,083
Decrease/(increase) in prepayments	7,024	( 29,138)
Decrease in creditors and accruals	( 8,499)	( 95,226)
Net cash inflow from continuing operating activities	<u>£523,142</u>	<u>£417,031</u>

2. Analysis of changes in cash and cash equivalents during the year

	1995	1994
	£	£
Balance 1 April 1994	125,244	59,501
Net cash inflow	<u>171,268</u>	<u>65,743</u>
Balance 31 March 1995	<u>£296,512</u>	<u>£125,244</u>

3. Cash and cash equivalents

The balance for cash and cash equivalents is shown in the balance sheet at 'Cash at bank and in hand' of £296,512 (1994 : £125,244).

# BROWN SHIPLEY VENTURE MANAGERS LIMITED

## NOTES TO THE ACCOUNTS

### 1. ACCOUNTING POLICIES

#### (a) Basis of preparation

The accounts of the Company are prepared on the historical cost basis and in accordance with applicable accounting standards in the United Kingdom.

#### (b) Profit and loss account

Income and expenses are accounted for in the profit and loss account on an accruals basis.

#### (c) Fixed assets

Fixed assets are stated at cost less depreciation. Depreciation is calculated on a straight line basis at the following rates:

Motor cars - 25% per annum

Furniture and equipment - 20% per annum

#### (d) Deferred taxation

Deferred taxation is provided using the liability method to the extent that it is probable a liability will crystallise. No provision is made for any deferred tax asset.

### 2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Turnover consists entirely of fees earned in the United Kingdom and comprises:

	1995	1994
	£	£
Directors' fees	117,877	147,272
Fund management fees	1,441,989	1,377,929
Other fees	<u>35,500</u>	<u>3,000</u>
	<u>£1,595,366</u>	<u>£1,528,201</u>

Administrative expenses include:

	1995	1994
	£	£
Auditor's remuneration	£ 5,172	£ 4,660
Depreciation	<u>£33,692</u>	<u>£35,814</u>

# BROWN SHIPLEY VENTURE MANAGERS LIMITED

## NOTES TO THE ACCOUNTS (Continued)

### 3. EMPLOYEES

Staff costs, including directors' emoluments, were:

	1995	1994
	£	£
Salaries	607,125	553,396
Social security costs	62,021	57,553
Other pension costs	<u>88,450</u>	<u>76,972</u>
Aggregate remuneration	<u>£757,596</u>	<u>£687,921</u>

The average number of persons employed by the Company in the United Kingdom during the year was 8 (1994 : 8).

The Company operates a defined contribution pension scheme for the benefit of all directors and employees, subject to eligibility. The Company contributes 15% of gross salary to the scheme.

### 4. DIRECTORS' EMOLUMENTS

	1995	1994
	£	£
Aggregate remuneration including benefits in kind	505,261	394,569
Pension contributions	<u>71,556</u>	<u>54,000</u>
	<u>£576,817</u>	<u>£448,569</u>
Included in aggregate remuneration above (excluding pension contributions):		
Remuneration of Chairman	nil	nil
Remuneration of highest paid director	<u>£150,192</u>	<u>£150,423</u>

The number of directors (including the chairman and the highest paid director) who received remuneration within the following ranges was:

	Number of Directors	Number of Directors
£0 - £5,000	2	3
£15,001 - £20,000	-	1
£40,001 - £45,000	1	-
£85,001 - £90,000	1	-
£110,001 - £115,000	2	2
£150,001 - £155,000	1	1

# BROWN SHIPLEY VENTURE MANAGERS LIMITED

## NOTES TO THE ACCOUNTS (Continued)

### 5. TAXATION

Taxation based on the profit for the year:

	1995 £	1994 £
Corporation tax at effective rate of 29.4% (1994 : 29.8%)	157,105	143,338
Prior year adjustment	( 918)	-
	<u>£156,187</u>	<u>£143,338</u>

### 6. DIVIDENDS

	1995 £	1994 £
<b>Dividends on equity shares:</b>		
'A' Ordinary		
Interim paid	49,500	145,600
Final proposed	232,925	108,357
<b>Dividends on non-equity shares:</b>		
'B' Ordinary		
Interim paid	66,241	52,828
	<u>£348,666</u>	<u>£306,785</u>

### 7. TANGIBLE FIXED ASSETS

	Motor Vehicles £	Furniture & Equipment £	Total £
At cost 1 April 1994	117,979	50,304	168,283
Additions during the year	-	308	308
Disposals	-	( 4,460)	( 4,460)
At cost 31 March 1995	<u>117,979</u>	<u>46,152</u>	<u>164,131</u>
Depreciation 1 April 1994	( 67,535)	(23,851)	( 91,386)
Charge for the year	( 24,901)	( 8,792)	( 33,693)
Disposals	-	4,460	4,460
Depreciation 31 March 1995	( 92,436)	(28,183)	(120,619)
Net book value 31 March 1995	<u>£25,543</u>	<u>£17,969</u>	<u>£43,512</u>
Net book value 31 March 1994	<u>£50,444</u>	<u>£26,453</u>	<u>£76,897</u>

## BROWN SHIPLEY VENTURE MANAGERS LIMITED

### NOTES TO THE ACCOUNTS (Continued)

#### 8. DEBTORS DUE AFTER ONE YEAR

Debtors due after one year consists of advance corporation tax of £58,231 (1994 : £27,089) which, in the opinion of the directors, will be recoverable in the foreseeable future.

#### 9. CALLED UP SHARE CAPITAL

	1994	1995
	£	£
Authorised:		
2,450 'A' Ordinary Shares of £1 each	2,450	2,450
2,550 'B' Ordinary Shares of £1 each	<u>2,550</u>	<u>2,550</u>
	<u>£5,000</u>	<u>£5,000</u>
Allotted, called up and fully paid:		
2,450 'A' Ordinary Shares of £1 each	2,450	2,450
2,550 'B' Ordinary Shares of £1 each	<u>2,550</u>	<u>2,550</u>
	<u>£5,000</u>	<u>£5,000</u>

On the adoption of new Articles of Association on 31 March 1994, the 'A' Ordinary shares have preference on the distribution of capital and the 'B' Ordinary shares have preference on the distribution of profits. The company has the option of redeeming the 'B' Ordinary shares at par value at any time after the winding-up of the funds currently managed.

#### 10. ULTIMATE PARENT UNDERTAKING

Brown Shipley Venture Managers Limited is a subsidiary of Brown, Shipley & Co. Limited, incorporated in Great Britain and registered in England and Wales. The directors regard Kredietbank S.A. Luxembourgeoise, incorporated and registered in Luxembourg, as the company's ultimate parent undertaking.

Group accounts for Brown, Shipley & Co. Limited and Kredietbank S.A. Luxembourgeoise are available to the public and can be obtained by application to the Company Secretaries at the address on page 3.

## **REPORT OF THE AUDITORS**

### **TO THE MEMBERS OF BROWN SHIPLEY VENTURE MANAGERS LIMITED**

We have audited the financial statements on pages 4 to 11.

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

As described on page 2 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.

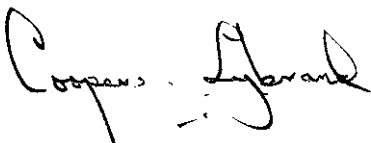
#### **BASIS OF OPINION**

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 the company's affairs at 31 March 1995 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**COOPERS & LYBRAND**

Chartered Accountants and Registered Auditors  
1 Embankment Place  
London WC2N 6NN

9 May 1995