

St Paul's Capital Investments Limited

Annual report for the year ended 31 December 1995

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**Directors' report
for the year ended 31 December 1995**

The directors present their report and the audited financial statements for the year ended 31 December 1995. The comparative figures relate to the period 8 September 1993 (the date of incorporation) to 31 December 1994.

Principal activities

The company's principal activity is that of a holding company.

Results and dividends

The company's results are shown on page 4 of the accounts. The Directors do not recommend a dividend (1994 : nil).

Directors

T C Cooke (resigned 30 January 1996)
C J R Gleave (appointed 31 January 1996)
J R Russell (appointed 31 January 1996)
T P Saunt (resigned 30 April 1996)

Directors' interests

No director had an interest in the shares of the company during the year.

The interests of directors in ordinary shares of Guinness Peat Group plc, the ultimate parent company of the company, on the 31 December 1994 and at 31 December 1995 were as follows:

	31 December 1995	31 December 1994
T C Cooke	20,535 shares	12,100 shares
T P Saunt	7,320 shares	6,050 shares

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 period ended 31 December 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 to prevent and detect fraud and other irregularities.

Auditors

A resolution to re-appoint Coopers & Lybrand as the company's auditors will be proposed at the annual general meeting.

By order of the board



J R Russell
Secretary

25 October 1996

Registered office

The Registered Office of St Paul's Capital Investments Limited is
Second Floor, 21 - 26 Garlick Hill, London EC4V 2AU.

The Registered Office of its ultimate holding company,
Guinness Peat Group plc, is
Second Floor, 21 - 26 Garlick Hill, London EC4V 2AU.

**Report of the auditors
to the members of St Paul's Limited**

We have audited the accounts on pages 4 to 8.

Respective responsibilities of directors and auditors

As described on pages 1 to 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 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 accounts give a true and fair view of the state of the Company's affairs at 31 December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Coopers & Lybrand

**Coopers & Lybrand
Chartered Accountants and Registered Auditors**

London

25 October 1996

Profit and loss account for the year ended 31 December 1995

	Notes	31 December 1995 £	31 December 1994 £
Turnover - continuing operations		-	-
Net operating expenses - continuing operations		-	-
Operating profit - continuing operations		-	-
Movement in provision for diminution in value of subsidiaries	2	764,949	(1,785,763)
Interest receivable		-	-
Interest payable		-	-
Profit/(loss) on ordinary activities before taxation		764,949	(1,785,763)
Taxation		-	-
Profit/(loss) for the period	5	764,949	(1,785,763)

The company has no recognised gains and losses other than the profits/(losses) above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit/(loss) on ordinary activities before taxation and the retained profit/(loss) for the periods stated above, and their historical cost equivalents.

The notes on pages 6 to 8 form part of these financial statements.

The report of the auditors is on page 3.

Balance sheet at 31 December 1995

	Notes	31 December 1995 £	31 December 1994 £
Fixed assets			
Investments in subsidiary companies	2	1,079,186	314,237
		<u>1,079,186</u>	<u>314,237</u>
Capital and Reserves			
Called up share capital			
Equity shares - ordinary	3	100,000	100,000
Non-equity shares - preference	3	240,000	240,000
Share premium account	4	1,760,000	1,760,000
Profit and loss account	5	(1,020,814)	(1,785,763)
Shareholders' funds	6	<u>1,079,186</u>	<u>314,237</u>
Equity interests		839,186	74,237
Non-equity interest		<u>240,000</u>	<u>240,000</u>
		<u>1,079,186</u>	<u>314,237</u>

Approved by the Board on 25 October 1996



C J R Gleave
Director

The notes on pages 6 to 8 form part of these financial statements.

The report of the auditors is on page 3.

Notes to the financial statements for the year ended 31 December 1995

1 Accounting policies

- (a) The accounts of the company are prepared on the historical cost basis and conform with applicable accounting standards, which have been applied consistently.
- (b) Investments are stated at cost, less provisions for any permanent diminution in value.

2 Investments in subsidiary companies

	31 December 1995
Cost at 31 December 1994 and 31 December 1995	2,100,000

Provisions for the diminution in the net asset values of subsidiaries are as follows:

At 31 December 1994	1,785,763
Release of provision during period	(764,949)
At 31 December 1995	1,020,814

The Company owns all of the ordinary share capital of Brown Shipley Asset Management Limited which is registered in England and Wales and whose principal activity was that of an investment adviser until it ceased trading on 30 June 1994.

In the opinion of the directors the value of the company's investment in its subsidiary is not less than the amount at which it is stated in the balance sheet.

Group accounts have not been prepared as the company is a wholly owned subsidiary of a company incorporated in Great Britain. Group accounts are prepared by Guinness Peat Group plc whose accounts may be obtained from its registered office.

3 Called up share capital

	1995 and 1994	
	Authorised	Issued, allotted called up and fully paid
	£	£
Equity		
100,000 ordinary shares of £1 each	<u>100,000</u>	100,000
Non-equity		
206,000 'A' 10% preference shares of £1 each	<u>206,000</u>	206,000
34,000 'B' 10% preference shares of £1 each	<u>34,000</u>	34,000
		<u>340,000</u>

The above classes of non-equity share are preferential as to both payment of dividends accruing and repayment of principal with the 'B' shares ranking ahead of the 'A' shares. If interest accruing on these shares is not paid within ten business days of the due date then they gain voting rights ranking paripassu with the Ordinary shares in issue. In addition the 'B' Preference shares are entitled to a variable dividend equal to 0.1 per cent of any ordinary dividend paid and, to the extent that there is a return of assets in liquidation, any surplus in excess of £6 million shall be distributed among the holders of the Ordinary shares and the 'B' shares in proportion to the nominal amount of such shares held by them.

4 Share premium account

Premium on shares issued at 31 December 1994 and 31 December 1995	<u>1,760,000</u>
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5 Profit/(loss) for the year at 31 December 1995

At 31 December 1994	(1,785,763)
Profit for the year	<u>764,949</u>
At 31 December 1995	<u>(1,020,814)</u>

6 Reconciliation of movements in shareholders' funds

At 31 December 1994	314,237
Profit for the year	<u>764,949</u>
At 31 December 1995	<u>1,079,186</u>

7 Contingent liability

Dividends in respect of the two classes of 10% preference shares, calculated on a daily basis at 10% of the nominal value of the shares plus cumulative accrued dividends, will become payable when the company makes sufficient profits to cover them, or in the event of winding up. This contingent liability at 31 December 1995 amounted to £55,029 (1994 : £28,208).

8 The ultimate parent company

The ultimate parent company is Guinness Peat Group plc, a company incorporated in Great Britain and registered in England and Wales. The consolidated financial statements of this company may be obtained from its registered office.