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GODSELL & COMPANY LIMITED

ACCOUNTS  
for the year ended  
31 December 1987

GODSELL & COMPANY LIMITED

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for the year ended  
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GODSELL & COMPANY LIMITED

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Report of the directors  
for the year ended 31 December 1987  
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1 The directors present herewith the audited accounts of the company for the year ended 31 December 1987.

Principal activity of the company

2 The principal activity of the company is that of currency deposit broking.

Review of 1987 operations and future developments

3 The results for the year are set out in the profit and loss account on Page 4. Following a reorganisation of the Company's activities, the name of the Company was changed on the 1st January 1988 to Godsell, Astley & Pearce (Eurocurrency Deposits) Limited.

Dividends

4 The Directors do not recommend the payment of a Dividend.

Directors

5 The directors of the company at 31 December 1987 who, except where stated, have been directors for the whole of the year ended on that date were:-

J N G Moreton	(Chairman - resigned 30th November 1987)
J Compson	
J T Dick	
P J Edge	
D C Hallums	
R Hubbard	
W G Smith	(appointed 26th August 1987)
R J Wren	(appointed 6th April 1987)
K Costello	
D J Turner	
R D Adlington	
G Mansfield	(appointed 1st January 1987)
M A Ward	(appointed 1st January 1987)
J Oliver	

Directors' interests in shares

6 The directors have no interests in the shares of the company. The interests of Mr. J.T. Dick and Mr. D.C. Hallums in the shares of the ultimate holding company, British & Commonwealth Holdings plc were as follows:-

	<u>As at 1st January 1987</u>		<u>As at 31st December 1987</u>	
	Ordinary Stock Units of 10p each -----	7 3/4% CULS -----	Ordinary Stock Units of 10p each -----	7 3/4% CULS -----
J.T. Dick	810	£ 2,461	1,000	£ Nil
D.C. Hallums	9,000	£27,350	9,000	£27,350

The remaining directors had no interest in the shares of the ultimate holding company.

Fixed Assets

7 Details of movements in fixed assets are given in notes 7 and 8 to the accounts.

Close Company

8 The company is not a close company under the provisions of the Income and Corporation Taxes Act 1970, as amended.

Auditors

9 A resolution to reappoint the auditors, Coopers & Lybrand, will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD



Secretary  
LONDON,

- 2 JUN 1988

Report of the auditors to the members of

GODSELL & COMPANY LIMITED  
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We have audited the accounts on pages 4 to 15 in accordance with approved Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company at 31 December 1987 and of its profit and source and application of funds for the year then ended and comply with the Companies Act 1985.

*Coopers & Lybrand*

Chartered Accountants

LONDON,

- 2 JUN 1988

## GODSELL &amp; COMPANY LIMITED

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 Profit and loss account  
 for the year ended 31 December 1987  
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	<u>Notes</u>	<u>1987</u> £'000	<u>1986</u> £'000
Turnover	2	10,432	12,856
Net operating expenses	3	7,042	9,408
		-----	-----
Profit on ordinary activities before taxation		3,390	3,448
Tax on profit on ordinary activities	6	1,383	1,515
		-----	-----
Profit for the financial year		<u>2,007</u>	<u>1,933</u>

## STATEMENT OF RETAINED PROFITS


Retained profits at 1 January	4,623	2,690
Profit for the financial year	2,007	1,933
	-----	-----
Retained profits at 31 December	<u>6,630</u>	<u>4,623</u>

The notes on pages 7 to 15 form part of these accounts.

## GODSELL &amp; COMPANY LIMITED

## Balance Sheet - 31 December 1987

	Notes	1987		1986	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	7		907		1,026
Investments	8		1		1
			-----		-----
			908		1,027
CURRENT ASSETS					
Debtors	9	9,707		8,642	
Cash at bank and in hand		861		133	
		-----		-----	
		10,568		8,775	
CREDITORS: amounts falling due within one year	10	3,306		3,345	
		-----		-----	
NET CURRENT ASSETS			7,262		5,430
			-----		-----
Total assets less current liabilities			8,170		6,457
CREDITORS: amounts falling due after more than one year	11		(1,507)		(1,683)
PROVISION FOR LIABILITIES AND CHARGES	12		13		(105)
			-----		-----
NET ASSETS			6,676		4,669
			=====		=====
CAPITAL AND RESERVES					
Called up share capital	13		46		46
Profit and loss account			6,630		4,623
			-----		-----
TOTAL CAPITAL EMPLOYED			6,676		4,669
			=====		=====


  
 ) Directors

- 2 JUN 1988

The notes on pages 7 to 15 form part of these accounts.

Auditors' Report - page 3

## GODSELL &amp; COMPANY LIMITED

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Statement of source and application of funds  
for the year ended 31 December 1987  
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	<u>1987</u>		<u>1986</u>	
	£'000	£'000	£'000	£'000
<b>SOURCE OF FUNDS</b>				
Profit before taxation		3,390		3,448
Items not involving the movement of funds:-				
Depreciation	366		628	
(Profit) on sale of tangible fixed assets	(171)		(89)	
	-----		-----	
		195		539
		-----		-----
<b>FUNDS GENERATED FROM OPERATIONS</b>		3,585		3,987
<b>FUNDS FROM OTHER SOURCES</b>				
Sale of fixed assets		284		412
		-----		-----
<b>TOTAL AVAILABLE FUNDS</b>		3,869		4,399
<b>APPLICATION OF FUNDS</b>				
Tax paid	2,423		1,378	
Purchase of tangible fixed assets	640		445	
Dividend paid	-		600	
	-----		-----	
		3,063		2,423
		-----		-----
		806		1,976
		=====		=====
<b>MOVEMENT IN WORKING CAPITAL</b>				
Increase in debtors (excluding group balances)		249		12
Increase in amounts due from group companies		172		4,420
(Increase) in creditors (excluding tax and group balances)		(342)		(150)
		-----		-----
		79		4,282
<b>MOVEMENT IN NET LIQUID FUNDS</b>				
Increase/(Decrease) in cash at bank and bank balances		727		(2,306)
		-----		-----
		806		1,976
		=====		=====



## GODSELL &amp; COMPANY LIMITED

Notes to the accounts - 31 December 1987

Accounting policies

1 A summary of the principal accounting policies is set out below, all of which have been applied on a consistent basis:-

(a) Basis of accounting

The accounts are prepared under the historical cost convention.

(b) Fixed assets

Fixed assets are stated at cost. Depreciation is calculated to write off the cost of fixed assets on a straight line basis over the expected useful lives of the assets concerned. The principal annual rates are as follows:-

Short leasehold improvements	20%
Communication equipment	20%
Furniture and fixtures	20%
Motor vehicles	25%

(c) Deferred taxation

Taxation deferred as a result of material timing differences is provided at the rate of taxation ruling at the balance sheet date (the "liability method"), to the extent that such taxation is expected to become payable in the foreseeable future.

(d) Brokerage income

Brokerage income is accounted for at the date of the transaction.

(e) Foreign currencies

Foreign currency assets and liabilities are translated at the rates ruling at the end of the accounting period and gains or losses thereon are taken to the profit and loss account. Exchange gains and losses arising from realised forward exchange contracts entered into by Exco International plc to reduce the company's exposure to currency fluctuations are credited or charged against net operating expenses.

(f) Turnover

Turnover, which is exclusive of sales taxes, is based on invoiced brokerage charges for the period less commission payable to third parties.

(g) Pension costs

The pension schemes of the company are funded externally. Payments made to the funds and charged annually in the accounts comprise current service contributions and back service contributions at rates based on actuarial advice.

Turnover and profit

2 All turnover and profit is derived from money broking activities carried out in the UK.

## GODSELL &amp; COMPANY LIMITED

Notes to the accounts - 31 December 1987 continued

Net operating expenses

3	<u>1987</u> £'000	<u>1986</u> £'000
Staff costs (see note 5)	5,297	6,256
Depreciation and amounts written off tangible fixed assets	366	628
Other operating expenses:		
Auditors remuneration	10	19
Operating lease rentals	219	299
Other expenses	2,093	2,851
	-----	-----
Total operating expenses	7,985	10,053
Less:		
Other interest receivable and similar income	20	138
Exchange gain	923	507
	-----	-----
Net operating expenses	<u>7,042</u>	<u>9,408</u>

Directors' emoluments

4 Emoluments of the directors of the company (including pension contributions) are as follows:-

	<u>1987</u> £	<u>1986</u> £
Management remuneration	1,630,372	645,718
Pension to past directors	2,495	2,004
	-----	-----
	<u>1,632,867</u>	<u>647,722</u>

Particulars in accordance with Part V of Schedule 5 of the Companies Act 1985 of the emoluments of the directors of the company (excluding pension contributions), are as follows:-

	<u>1987</u> £	<u>1986</u> £
Chairman	145,740	37,593
Highest paid director	<u>217,146</u>	<u>151,500</u>

GODSELL & COMPANY LIMITED

Notes to the accounts - 31 December 1987 continued

Number of other directors whose emoluments fell within the ranges:-

	<u>1987</u>	<u>1986</u>
£35,001 to £40,000	-	1
£40,001 to £45,000	-	1
£65,001 to £70,000	-	2
£70,001 to £75,000	2	-
£75,001 to £80,000	3	2
£80,001 to £85,000	-	1
£90,001 to £95,000	2	-
£100,001 to £105,000	1	-
£105,001 to £110,000	1	-
£110,001 to £115,000	1	-
£140,001 to £145,000	2	-
£150,001 to £155,000	-	1

Staff costs

5(a) Employee costs (including executive directors) amount to:

	<u>1987</u> £'000	<u>1986</u> £'000
Wages and salaries	4,518	5,523
Social security costs	507	457
Other pension costs	272	276
	-----	-----
	<u>5,297</u>	<u>6,256</u>

(b) The average weekly number of persons employed by the company, all of whom were full time and including executive directors was as follows:-

	<u>1987</u> Number Employed	<u>1986</u> Number Employed
Sales and broking	91	159
Administration	31	39
	---	---
	<u>122</u>	<u>198</u>

GODSELL & COMPANY LIMITED

Notes to the accounts - 31 December 1987 continued

- (c) The number of employees whose emoluments were in excess of £30,000 and fell within the indicated ranges were as follows:-

	<u>1987</u>	<u>1986</u>
£30,001 - £35,000	2	15
£35,001 - £40,000	4	9
£40,001 - £45,000	10	8
£45,001 - £50,000	2	6
£50,001 - £55,000	2	9
£55,001 - £60,000	-	2
£60,001 - £65,000	1	4
£65,001 - £70,000	4	2
£70,001 - £75,000	2	-
£75,001 - £80,000	2	-
£80,001 - £85,000	-	1
£85,001 - £90,000	-	1
£95,001 - £100,000	1	-

Tax on profit on ordinary activities

- 6 The tax charge is based on the profit for the year and comprises:-

	<u>1987</u>	<u>1986</u>
	<u>£'000</u>	<u>£'000</u>
Corporation tax at a rate of 35% (1986:36.25%)	1,507	1,683
Deferred taxation arising from:		
- capital allowances	(118)	(176)
	-----	-----
	1,389	1,507
(Over)/Under provision in prior years	(6)	8
	-----	-----
	<u>1,383</u>	<u>1,515</u>

GODSELL & COMPANY LIMITED

Notes to the accounts - 31 December 1987 continued

Tangible fixed assets

7	Short Leasehold Improvements	Furniture Fixtures and Equipment	Motor Vehicles	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 1987	17	1,668	922	2,607
Additions		222	418	640
Transfers between group companies	-	(121)	(349)	(470)
Disposals	-	(122)	(278)	(400)
At 31 December 1987	17	1,647	713	2,377
Depreciation				
at 1 January 1987	10	1,207	364	1,581
Charge for the year	4	206	156	366
Transfers between group companies	-	(69)	(120)	(189)
Disposals	-	(104)	(184)	(288)
At 31 December 1987	14	1,240	216	1,470
Net book value at 31 December 1987	3	407	497	907
31 December 1986	7	461	558	1,026
			<u>1987</u>	<u>1986</u>
			£'000	£'000

Capital expenditure approved:

Expenditure Contracted for

615      NIL

GODSELL & COMPANY LIMITED

Notes to the accounts - 31 December 1987 continued

Fixed asset investments

8 (a) Shares in subsidiary companies:-

	<u>1987</u> £'000	<u>1986</u> £'000
Cost:		
At 1 January	1	1
	---	---
At 31 December	1	1

(b) The subsidiary companies are as follows:-

	<u>Country of Incorporation</u>	<u>Principal Activity</u>
Godsell (LDA) Channel Islands Limited	Jersey	Dormant
Exco Overseas (Australia) Pty Limited	Australia	Holding company
Godsell (Deposits) Limited	United Kingdom	Dormant

The company owns 100% of the issued share capital of the above subsidiaries.

Group accounts have not been prepared as the company is a wholly owned subsidiary of Godsell Holdings Limited, which is incorporated in Great Britain.

In the opinion of the directors, the aggregate value of the company's subsidiaries is not less than the aggregate of the amounts at which those assets are included in the balance sheet.

GODSELL & COMPANY LIMITED

Notes to the accounts - 31 December 1987 continued

Debtors

9	<u>1987</u>	<u>1986</u>
	£'000	£'000
Amounts falling due within one year:		
Trade debtors	1,343	1,090
	-----	-----
Amounts owed by group companies:		
Due from holding companies and fellow subsidiaries	7,843	3,379
Due from subsidiaries	320	3,968
	-----	-----
	8,163	7,347
Other debtors	83	40
Prepayments and accrued income	118	165
	-----	-----
	9,707	8,642
	=====	=====

Creditors: amounts falling due within one year

10	<u>1987</u>	<u>1986</u>
	£'000	£'000
Trade Creditors	191	80
Amounts owed to group companies:		
Due to holding companies and fellow subsidiaries	400	36
Other creditors:		
UK corporation tax payable	1,619	2,364
VAT	18	44
Social Security and PAYE	138	321
Accruals and deferred income	940	500
	-----	-----
	3,306	3,345
	=====	=====

Creditors: amounts falling due after one year

11	<u>1987</u>	<u>1986</u>
	£'000	£'000
UK corporation tax payable 1 July 1989(1988)	1,507	1,683
	=====	=====

GODSELL & COMPANY LIMITED

Notes to the accounts 31 December 1987 continued

Provisions for liabilities and charges

12 (a) The provision for liabilities and charges comprises:-

	<u>1987</u> £'000	<u>1986</u> £'000
Deferred taxation, principally in respect of capital allowances	13	(105)

(b) The movement on deferred taxation representing the full potential liability on timing differences is as follows:-

	<u>£'000</u>	<u>£'000</u>
Balance at beginning of year	(105)	(273)
Charged to profit and loss in respect of capital allowances	118	168
	-----	-----
Balance at end of year	13	(105)

Share capital

	<u>1987</u> £	<u>1986</u> £
--	------------------	------------------

Authorised:

1,000,000 13% redeemable preference shares of £1 each	1,000,000	1,000,000
400 ordinary shares of 25p each	100	100
181,800 2nd deferred shares of 25p each	45,450	45,450
60,600 3rd deferred shares of 1p each	606	606
76,880 'A' shares of 1p each	768	768
307,520 'B' shares of 1p each	3,076	3,076
	-----	-----
	1,050,000	1,050,000

Allotted, called up and fully paid:

400 ordinary shares of 25p each	100	100
181,800 2nd deferred shares of 25p each	45,450	45,450
60,600 3rd deferred shares of 1p each	606	606
	-----	-----
	46,156	46,156



GODSELL & COMPANY LIMITED

Notes to the accounts - 31 December 1987 continued

Lease Commitments

14 The Company has various commitments in respect of operating leases. In 1988 the minimum rentals payable under operating leases are £210,000. The minimum unexpired lease period on all leases is in excess of five years.

Godsell & Company Limited is the head lessor for the leases. The actual charge borne by the company will be reduced by charges made to other group companies.

Loan to a Director

15 A loan of £10,000 was outstanding to J Compson at the beginning and the end of the year.

Holding company

16 The ultimate holding company is British & Commonwealth Holdings plc, which is incorporated in Great Britain.