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GODSELL & COMPANY LIMITED

ACCOUNTS  
for the year ended  
31 DECEMBER 1984



Coopers  
& Lybrand

GODSELL & COMPANY LIMITED

Report of the directors  
for the year ended 31 December 1984

1 The directors have pleasure in submitting their report and the audited accounts for the year ended 31 December 1984.

Principal activity

2 The principal activity of the company is foreign exchange and currency deposit broking.

Review of 1984 and future developments

3 Both the level of business and the year end financial position were satisfactory and the directors expect that the present level of activity will be sustained for the foreseeable future.

Dividends

4 The directors recommend that a final dividend of £723,000 shall be paid and that £12,000 shall be carried to reserves.

Directors

5 The directors of the company at 31 December 1984, who, except where stated, have been directors for the whole of the year ended on that date, were:-

J N G Moreton	(Chairman)
D B Buik	
D C Hallums	
P Clark	(resigned 30 March 1984)
A Bonnici	(appointed 30 March 1984)
J Oliver	(appointed 30 March 1984)
R Wren	(appointed 30 March 1984)
R Hubbard	(appointed 30 March 1984)
P J Edge	(appointed 30 March 1984)
J Compson	(appointed 30 March 1984)
A Llewelyn-Davies	(appointed 21 June 1984)

The following were directors on 1 January 1984:-

J L Sangster	(resigned as Chairman and director 30 March 1984)
J G O'Neill	(resigned 30 March 1984)
R A Mahoney	(resigned 30 March 1984)
B Beverley	(resigned 30 March 1984)
C G Draper	(resigned 31 October 1984)
B H Riceman	(resigned 25 April 1984)

P K Wright - appointed on 30 March 1984 resigned on 20 November 1984.

J T Dick - appointed on 5 February 1985.

### Directors' interests in shares

6 The directors have no interest in the shares of the company. The interests of directors who are also directors of the ultimate holding company, Exco International p.l.c., are shown in the directors report of that company.

The interest of other directors in the shares of the ultimate holding company are as follows:-

	Exco International p.l.c. Ordinary shares of 10p each	
	1984	1983
	£	£
D B Buik	116,924	131,210
D C Hallums	9,000	10,000
A Bonnici	1,000	1,000*
J Oliver	-	- *
R Wren	-	- *
R Hubbard	-	- *
P J Edge	-	- *
J Compson	-	- *
A Llewelyn-Davies	2,777	2,777*

\* at date of appointment.

### Fixed assets

7 Details of movements in fixed assets are given in notes 9 and 10 to the accounts.


### Close company

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

### Auditors

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

BY ORDER OF THE BOARD

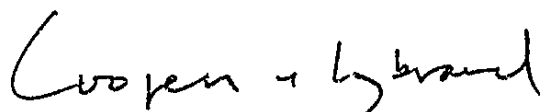
  
Secretary  
LONDON, 24 April 1985

Report of the auditors to the members of  
GODSELL & COMPANY LIMITED

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We have audited the accounts on pages 4 to 14 in accordance with approved Auditing Standards. The accounts have been prepared under the historical cost convention.

In our opinion the accounts give a true and fair view of the state of affairs of the company at 31 December 1984 and of the profit and source and application of funds for the year then ended and comply with the Companies Acts 1948 to 1981.



COOPERS & LYBRAND

Chartered Accountants  
LONDON, 24 April 1985

GODSELL & COMPANY LIMITED

Profit and loss account  
for the year ended 31 December 1984

	<u>Notes</u>	<u>1984</u> £'000	<u>1983</u> £'000
Turnover	2	10,042	9,285
Net operating expenses	3	<u>6,922</u>	<u>7,857</u>
Operating profit on ordinary activities before taxation		3,120	1,428
Tax on profit on ordinary activities	6	<u>1,383</u>	<u>950</u>
Profit on ordinary activities after taxation		1,737	478
Extraordinary income	7	<u>-</u>	<u>1,699</u>
Profit for the financial year		<u><u>1,737</u></u>	<u><u>2,177</u></u>

STATEMENT OF RETAINED PROFITS

Retained profits at beginning of the year		512	5
Profit for the financial year		1,737	2,177
Dividends paid and proposed	8	<u>(1,725)</u>	<u>(1,670)</u>
Retained profits at end of the year		<u><u>524</u></u>	<u><u>512</u></u>

The notes on pages 7 to 14 form part of these accounts.

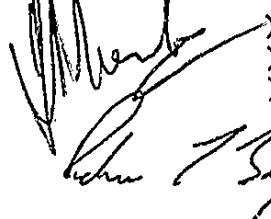
Auditors' report page 3.

## GODSELL &amp; COMPANY LIMITED

Balance sheet - 31 December 1984

	Notes	1984		1983	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	9		1,692		1,865
Investments	10		1		1
			<u>1,693</u>		<u>1,866</u>
CURRENT ASSETS					
Debtors	11	3,009		4,575	
Cash at bank and in hand		<u>1,988</u>		<u>456</u>	
		4,997		5,031	
CREDITORS: amounts falling due within one year	12	<u>4,279</u>		<u>4,118</u>	
NET CURRENT ASSETS			<u>718</u>		<u>913</u>
Total assets less current liabilities			2,411		2,779
CREDITORS: amounts falling due after more than one year	13		1,441		1,604
PROVISIONS FOR LIABILITIES AND CHARGES	14		<u>400</u>		<u>617</u>
NET ASSETS			<u>570</u>		<u>558</u>
CAPITAL AND RESERVES					
Called up share capital	15		46		46
Profit and loss account			<u>524</u>		<u>512</u>
Total capital employed			<u>570</u>		<u>558</u>

Approved by the Board on 24 April 1985


 Directors

The notes on pages 7 to 14 form part of these accounts.

Auditors' report page 3.

Statement of source and application of funds  
for the year ended 31 December 1984

	1984	1983
	£000	£000
SOURCE OF FUNDS		
Profit before taxation	3,120	1,428
Items not involving movement of funds:		
Depreciation	669	539
Profit on disposal of tangible fixed assets	(56)	(50)
Funds generated from operations	613	489
	3,733	1,917
Funds from other sources:		
Proceeds from sale of tangible fixed assets	243	268
Proceeds from sale of subsidiaries	-	2,456
	243	2,724
Total available funds	3,976	4,641
APPLICATION OF FUNDS		
Tax paid	2,229	1,065
Purchase of tangible fixed assets	683	927
Dividends paid	2,672	290
	5,584	2,282
	£(1,608)	£2,359
MOVEMENT IN WORKING CAPITAL		
(Decrease)/increase in debtors	(1,917)	2,181
Increase/(decrease) in amounts due from group companies	351	(231)
(Increase)/decrease in creditors	(1,574)	503
	(3,140)	2,453
Movement in net liquid funds:		
Increase/(decrease) in cash and bank balances	1,532	(94)
	£(1,608)	£2,359

Auditors' report page 3.

GODSELL & COMPANY LIMITED

Notes to the accounts - 31 December 1984

Principal 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:-

Communications equipment	15%
Motor vehicles	33 1/3%
Furniture and fittings	25%

(c) Deferred taxation

Taxation deferred as a result of material timing differences is provided at the rate of taxation ruling at the date of the balance sheet (the "liability method") except to the extent that such taxation is not expected to become payable in the foreseeable future.

(d) Brokerage income

Brokerage income is accounted for at the date of transaction.

(e) Foreign currencies

Assets and liabilities expressed in foreign currencies are translated to sterling at the rates of exchange ruling at the end of the accounting period. Realised exchange differences are charged or credited to operating profit while unrealised exchange differences are dealt with through reserves.

(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.



## GODSELL &amp; COMPANY LIMITED

## Notes to the accounts - 31 December 1984 continued

Turnover and profit

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

Net operating expenses

3	<u>1984</u> £000	<u>1983</u> £000
Staff costs (see note 5)	4,034	4,100
Interest payable and similar charges: Payable to others on amounts repayable within 5 years	-	45
	669	539
Depreciation of tangible fixed assets		
Other operating expenses:		
Auditors' remuneration, including £6,500 relating to 1982	13 8	21 8
Hire of plant and machinery	2,653	3,274
Other expenses	2,674	3,303
	7,377	7,987
Total operating expenses	(57)	(104)
Other interest receivable and similar income	(398)	(26)
Exchange (gain)/loss	6,922	7,857

Directors' emoluments

4 Emoluments of the directors of Godsell & Company Limited (including pension contributions) are as follows:-

	<u>1984</u> £	<u>1983</u> £
Management remuneration	626,679	566,685
Compensation for loss of office	10,000	-
	9,360	9,360
Pension to past directors	£646,039	£576,045

## GODSELL &amp; COMPANY LIMITED

## Notes to the accounts - 31 December 1984 continued

Particulars in accordance with Sections 6 and 7 of the Companies Act 1967 of the emoluments (excluding pensions and pension contributions) of directors of the company are as follows:-

	<u>1984</u>	<u>1983</u>
Chairman	<u>£52,118</u>	<u>£Nil</u>
Highest paid director	<u>£77,445</u>	<u>£85,308</u>

Other directors received emoluments in the following ranges:-

	<u>1984</u>	<u>1983</u>
£Nil to £5,000	1	3
£5,001 to £10,000	-	-
£10,001 to £15,000	3	1
£15,001 to £20,000	2	-
£20,001 to £25,000	1	-
£25,001 to £30,000	1	1
£30,001 to £35,000	1	-
£35,001 to £40,000	-	1
£40,001 to £45,000	1	-
£45,001 to £50,000	-	4
£50,001 to £55,000	2	1
£55,001 to £60,000	1	-
£60,001 to £65,000	2	-
£70,001 to £75,000	-	1
£85,001 to £90,000	-	-

Staff costs

5(a) Employees' costs including executive directors amounted to:-

	<u>1984</u>	<u>1983</u>
	£'000	£'000
Wages and salaries	3,700	3,680
Social security costs	165	199
Other pension costs	169	221
	<u>4,034</u>	<u>4,100</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:-

GODSELL & COMPANY LIMITEDNotes to the accounts - 31 December 1984 - continued

	<u>1984</u> <u>Number</u> <u>employed</u>	<u>1983</u> <u>Number</u> <u>employed</u>
Sales and broking	109	135
Administration	46	34
	<u>155</u>	<u>169</u>

## (c) Higher paid employees:

Employees of the company, other than directors, received remuneration (excluding pension contributions) in the following ranges:-

	<u>1984</u> <u>Number</u>	<u>1983</u> <u>Number</u>
£30,001 to £35,000	8	8
£35,001 to £40,000	5	9
£40,001 to £45,000	4	7
£45,001 to £50,000	3	5
£50,001 to £55,000	2	-
£55,001 to £60,000	2	3

Tax on profit on ordinary activities

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

	<u>1984</u> <u>£'000</u>	<u>1983</u> <u>£'000</u>
Corporation tax at the composite rate of 46.25% (1983 50.5%)	1,728	847
Deferred taxation arising from:	(197)	137
- capital allowances	(20)	20
- other timing differences		
	<u>1,511</u>	<u>1,004</u>
Adjustment of current taxation in respect of prior years	(128)	(54)
	<u>1,383</u>	<u>950</u>

Extraordinary income

7

	<u>1983</u> <u>£'000</u>
Profit on sale of Godsell Newco Incorporated	2,456
Less: taxation	757
Extraordinary income	<u>1,699</u>

## GODSELL &amp; COMPANY LIMITED

Notes to the accounts - 31 December 1984 continued

Dividends

	<u>1984</u>	<u>1983</u>
8	£'000	£'000
Interim dividend	1,002	-
Proposed final dividend	723	1,670
	<u>1,725</u>	<u>1,670</u>

Tangible fixed assets

9	<u>Short leasehold improvements</u>	<u>Furniture, fixtures &amp; equipment</u>	<u>Motor vehicles</u>	<u>Total</u>
	£'000	£'000	£'000	£'000
Cost	-	2,060	732	2,792
At 1 January 1984	16	226	441	683
Additions	-	-	440	440
Disposals	-	-	-	-
At 31 December 1984	<u>16</u>	<u>2,286</u>	<u>733</u>	<u>3,035</u>
Depreciation	-	666	261	927
At 1 January 1984	3	405	261	669
Charge for the year	-	-	253	253
Disposals	-	-	-	-
At 31 December 1984	<u>3</u>	<u>1,071</u>	<u>269</u>	<u>1,343</u>
Net book value at 31 December 1984	<u>13</u>	<u>1,215</u>	<u>464</u>	<u>1,692</u>
Net book value at 1 January 1983	-	<u>1,394</u>	<u>471</u>	<u>1,865</u>

Fixed asset investments

10(a) The following are included in the net book value of fixed asset investments:-

	<u>1984</u>	<u>1983</u>
	£'000	£'000
Shares in group companies - subsidiaries	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

GODSELL & COMPANY LIMITEDNotes to the accounts - 31 December 1984 continued

## (b) Shares in subsidiaries

	<u>Company</u>	
	<u>1984</u>	<u>1983</u>
	<u>£'000</u>	<u>£'000</u>
Cost:		
Beginning of year	1	3
Additions	-	-
Disposals	-	2
	<u>1</u>	<u>1</u>
End of year	<u>1</u>	<u>1</u>

## (c) The principal subsidiary companies are as follows:-

	<u>Country of incorporation</u>	<u>Principal activity</u>
Godsell (LDA) Channel Islands Limited	Jersey	Money broking
Exco Overseas (Australia) Pty. Limited	Australia	Holding company
Astley Pearce (Australia) Pty. Limited	Australia	Money broking

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

As the company is a wholly owned subsidiary of Exco International p.l.c., which is incorporated in Great Britain, group accounts have not been prepared.

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

Debtors

11 The following are included in the net book value of debtors:-

	<u>1984</u>	<u>1983</u>
	<u>£'000</u>	<u>£'000</u>
Amounts falling due within one year:		
Trade debtors	<u>1,422</u>	<u>986</u>
Amounts owed by group companies:-		
Due from holding company and fellow subsidiaries	<u>1,022</u>	<u>671</u>
Due from subsidiaries	<u>282</u>	<u>282</u>
	<u>1,304</u>	<u>953</u>
Other debtors	<u>111</u>	<u>140</u>
Prepayments and accrued income	<u>172</u>	<u>165</u>
Proceeds of sale of subsidiary	<u>3,009</u>	<u>2,331</u>
	<u>3,009</u>	<u>4,575</u>

## GODSELL &amp; COMPANY LIMITED

Notes to the accounts - 31 December 1984 continued

Creditors: amounts falling due within one year

12	<u>1984</u> £'000	<u>1983</u> £'000
Bank loans and overdrafts	-	1
Trade creditors	-	28
Amounts owed to group companies:		
Due to holding companies and fellow subsidiaries	2,196	1,165
Other creditors:		
ACT payable	429	-
UK corporation tax payable	235	738
VAT	65	26
Social security and PAYE	84	129
Other	-	19
Proposed dividends	723	1,670
Accruals and deferred income	547	342
	<u>4,279</u>	<u>4,118</u>

Creditors: amounts falling due after one year

13	<u>1984</u> £'000	<u>1983</u> £'000
Amounts owed to group companies:		
Due to holding company	-	484
UK corporation tax payable 1 July 1985	-	363
UK corporation tax payable 1 July 1986	1,441	757
	<u>1,441</u>	<u>1,604</u>

Provisions for liabilities and charges

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

	<u>1984</u> £'000	<u>1983</u> £'000
Deferred taxation, principally in respect of capital allowances	<u>400</u>	<u>61.7</u>

## GODSELL &amp; COMPANY LIMITED

Notes to the accounts - 31 December 1984 continued

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

	£'000
Balance at beginning of year	617
Charged to profit and loss in respect of:	
Capital allowances	(197)
Other timing differences	(20)
Balance at end of year	<u>400</u>

Share capital

15	<u>1984</u>	<u>1983</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
	<u>£1,050,000</u>	<u>£1,050,000</u>

## 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
	<u>£46,156</u>	<u>£46,156</u>

Ultimate holding company

- 16 The ultimate holding company of the company is Exco International p.l.c., which is incorporated in Great Britain.