

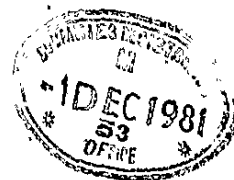
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WOELLWARTH & COMPANY LIMITED  
AND ITS SUBSIDIARIES

30 April 1981



# WOELLWARTH & COMPANY LIMITED

## REPORT OF THE DIRECTORS

The directors submit their report and audited accounts of the company and its subsidiaries for the year ended 30 April 1981.

## ACTIVITY

The principal activity of the Group is that of foreign exchange and currency deposit brokers.

## RESULTS AND DIVIDEND

The results of the Group for the year are set out in the attached profit and loss account. A dividend of £365,000 has been declared out of the profit for the year.

## DIRECTORS

The directors of the company during the year and their interests, as defined by Section 28 of the Companies Act 1967, in the holding company, Mercantile House Holdings Limited, were as follows:

	Ordinary shares of 25p each	
	30 April 1981	30 April 1980
HA Woellwarth	45,000	8,206
RC Winterbourne	24,616	24,616
RR St J Barkshire	73,100	75,918
NM Stoughton	700	-

In addition, certain directors received interest totalling £87,244 for the year in respect of 10% loan notes in the holding company.

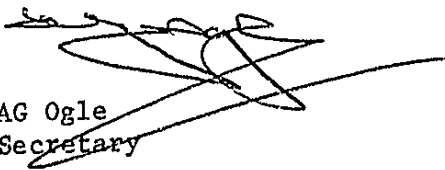
## ULTIMATE HOLDING COMPANY

The ultimate holding company is Mercantile House Holdings Limited which is incorporated in England.

## AUDITORS

The auditors, Price Waterhouse, have expressed their willingness to be re-appointed.

By Order of the Board

  
AG Ogle  
Secretary

19 June 1981



SOUTHWARK TOWERS,  
32 LONDON BRIDGE STREET,  
LONDON SE1 8SY

REPORT OF THE AUDITORS TO THE MEMBERS OF  
WOELLWARTH & COMPANY LIMITED

We have audited the financial statements set out on pages 3 to 10 in accordance with approved Auditing Standards.

In our opinion the financial statements, which have been prepared under the historical cost convention, give under that convention a true and fair view of the state of the company's affairs at 30 April 1981 and of its results for the year then ended and comply with the Companies Acts 1948 to 1980.

The financial statements do not include a statement of source and application of funds as required by Statement of Standard Accounting Practice No. 10.

A handwritten signature in cursive script that reads "Price Waterhouse".

Chartered Accountants

6 July 1981

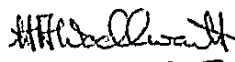
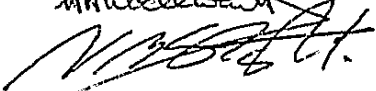
## WOELLWARTH &amp; COMPANY LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 APRIL 1981

		Thirteen months to 30 April 1980
TURNOVER (Note 1)	<u>£2,886,237</u>	<u>£3,812,677</u>
PROFIT BEFORE TAXATION (Note 2)	779,924	247,309
TAXATION (Note 5)	<u>429,926</u>	<u>146,225</u>
PROFIT AFTER TAXATION	349,998	101,084
DIVIDENDS (Note 6)	<u>365,000</u>	<u>90,000</u>
(DEFICIT)/PROFIT FOR THE YEAR (Note 7)	(15,002)	11,084
BALANCE BROUGHT FORWARD	<u>775,923</u>	<u>766,839</u>
	760,921	777,923
AMOUNT CAPITALISED AS ORDINARY SHARES	<u>-</u>	<u>(2,000)</u>
BALANCE CARRIED FORWARD	<u>£760,921</u>	<u>£775,923</u>

## WOELLWARTH &amp; COMPANY LIMITED

## CONSOLIDATED BALANCE SHEET AT 30 APRIL 1981

		<u>1980</u>
FIXED ASSETS (Note 8)	164,929	180,809
QUOTED INVESTMENTS at cost	-	23,542
CURRENT ASSETS		
Debtors and prepayments	346,680	354,471
Due from fellow subsidiaries	1,256,274	250,000
Short term deposits	-	235,000
Cash at bank and in hand	<u>52,567</u>	<u>150,110</u>
	1,655,521	989,581
CURRENT LIABILITIES		
Creditors and accruals	200,187	226,624
Due to holding company	6,524	-
Due to fellow subsidiaries	43,891	-
Taxation payable	468,981	271,851
Dividends payable (Note 6)	<u>365,000</u>	<u>-</u>
	1,084,583	498,475
NET CURRENT ASSETS	570,938	491,106
DEFERRED TAXATION (Note 5)	<u>37,054</u>	<u>92,466</u>
	<u>£772,921</u>	<u>£787,923</u>
REPRESENTING:		
SHARE CAPITAL (Note 9)	12,000	12,000
PROFIT AND LOSS ACCOUNT	760,921	775,923
DIRECTORS  		
19 June 1981	<u>£772,921</u>	<u>£787,923</u>

## WOELLWARTH &amp; COMPANY LIMITED

## BALANCE SHEET AT 30 APRIL 1981

			<u>1980</u>
FIXED ASSETS (Note 8)	164,929		15,160
SUBSIDIARY COMPANIES			
Shares at cost	8,471	8,471	
Current accounts receivable	<u>-</u>	<u>1,927,568</u>	
Current accounts payable	<u>8,471</u> <u>(469,836)</u>	<u>1,936,039</u> <u>(2,165,048)</u>	
	(461,365)		(229,009)
QUOTED INVESTMENTS at cost	-		23,542
CURRENT ASSETS			
Debtors and prepayments	346,680	12,956	
Due from fellow subsidiary	1,256,274	250,000	
Short term deposits	-	235,000	
Cash at bank and in hand	<u>52,567</u>	<u>83,688</u>	
	1,655,521	581,644	
CURRENT LIABILITIES			
Creditors and accruals	200,187	36,910	
Due to holding company	5,524	-	
Due to fellow subsidiaries	43,891	-	
Taxation payable	442,164	16,605	
Dividends payable (Note 6)	<u>365,000</u>	<u>-</u>	
	1,057,766	53,515	
NET CURRENT ASSETS	597,755		528,129
DEFERRED TAXATION (Note 5)	<u>37,054</u>		<u>16,880</u>
	<u>£338,373</u>		<u>£354,702</u>
REPRESENTING:			
SHARE CAPITAL (Note 9)	12,000		12,000
PROFIT AND LOSS ACCOUNT	<u>326,373</u>		<u>342,702</u>
	<u>£338,373</u>		<u>£354,702</u>

## WOELLWARTH &amp; COMPANY LIMITED

## NOTES TO THE ACCOUNTS

## 1 ACCOUNTING POLICIES

(1) Basis of accounting

The accounts have been prepared under the historical cost convention.

(2) Brokerage revenue (turnover)

The company follows market practice and takes credit for brokerage commission at the time a deal is negotiated.

(3) Fixed assets

Fixed assets are stated at cost less depreciation. Leasehold improvements are written off in equal annual instalments over their estimated useful life. Furniture and fittings and motor vehicles are written off over their estimated useful lives on the straight line basis. The principal rates of depreciation used by the company are 15% and 25% per annum respectively.

(4) Deferred taxation

Provision is made for deferred taxation at current tax rates in respect of all timing differences except those which it can be demonstrated with reasonable probability will continue in the future. Deferred taxation also takes account of advance corporation tax recoverable in future years.

## 2 PROFIT BEFORE TAXATION

Trading profit

Profit before taxation is arrived at after charging the following:

	<u>1981</u> £	<u>1980</u> £
Directors' emoluments (Note 3)	100,220	563,076
Depreciation and amortisation	64,800	74,944
Auditors' remuneration	6,500	6,500
Interest payable	9,968	15,907

and crediting the following:

Dividend income	2,159	14,936
Interest receivable	11,412	28,853
Rents receivable	-	530

## WOELLWARTH &amp; COMPANY LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

## 3 DIRECTORS' EMOLUMENTS

Emoluments of directors, excluding contributions paid under pension schemes, were:

	<u>1981</u> £	<u>1980</u> £
Chairman	22,714	59,186
Highest paid director	48,361	104,659

The other directors are in the following ranges:

N11	1	1
£1 - £ 5,000	-	3
£15,001 - £20,000	1	~
£65,001 - £70,000	-	1

## 4 EMPLOYEES' REMUNERATION

The number of employees, not being directors of the company, whose total remuneration exceeded £20,000 was as follows:

	<u>1981</u>	<u>1980</u>
£20,001 - £25,000	7	3
£25,001 - £30,000	4	4
£30,001 - £35,000	5	~
£35,001 - £40,000	1	~

## 5 TAXATION

(1) The charge is based on the profit for the period as follows:

	<u>1981</u>	<u>1980</u>
UK Corporation tax @ 52%	400,000	308,200
Deferred taxation	38,537	(125,291)
Tax credit on UK dividend received	648	3,915
	<u>439,185</u>	<u>186,824</u>
Prior year adjustment	(9,259)	(40,599)
	<u>£429,926</u>	<u>£146,225</u>



## WOELLWARTH &amp; COMPANY LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

## 5 TAXATION (CONTINUED)

(2) Deferred taxation comprises:

	<u>1981</u>	<u>1980</u>
ACT recoverable	-	(16,880)
Short term timing differences	<u>(37,054)</u>	<u>(75,586)</u>
	<u>£(37,054)</u>	<u>£(92,466)</u>

## 6 DIVIDENDS

	<u>1981</u>	<u>1980</u>
Ordinary		
Final £1.825p per share on 200,000 lp shares (1980 - 45p per share on 200,000 lp shares)	<u>£365,000</u>	<u>£90,000</u>

## 7 PROFIT FOR THE YEAR RETAINED

	<u>1981</u>	<u>1980</u>
Woellwarth & Company Limited	(16,321)	8,607
Subsidiaries	<u>1,319</u>	<u>2,477</u>
	<u>£(15,002)</u>	<u>£11,084</u>

## NOTES TO THE ACCOUNTS (CONTINUED)

## 8 FIXED ASSETS

GROUP	<u>Short leasehold</u>	<u>Furniture &amp; fittings</u>	<u>Motor vehicles</u>	<u>Total</u>
<u>Cost</u>				
At 1 May 1980	31,477	322,109	150,751	504,337
Additions	-	4,614	88,357	92,971
Disposals	-	(49)	(67,370)	(67,419)
At 30 April 1981	31,477	326,674	171,738	529,889
<u>Depreciation</u>				
At 1 May 1980	16,317	255,010	52,201	323,528
Charge for the year	2,331	19,535	42,934	64,800
Eliminated on disposal	-	(49)	(23,319)	(23,368)
At 30 April 1981	18,648	274,496	71,816	364,960
Net book amount at 30 April 1981	<u>£12,829</u>	<u>£52,178</u>	<u>£99,922</u>	<u>£164,929</u>
Net book amount at 30 April 1980	<u>£15,160</u>	<u>£67,099</u>	<u>£98,550</u>	<u>£180,809</u>
COMPANY				
<u>Cost</u>				
At 1 May 1980	31,477	-	-	31,477
Additions	-	326,723	239,108	565,831
Disposals	-	(49)	(67,370)	(67,419)
At 30 April 1981	31,477	326,674	171,738	529,889
<u>Depreciation</u>				
At 1 May 1980	16,317	-	-	16,317
On transfers	-	255,010	52,201	307,211
Charge for the year	2,331	19,535	42,934	64,800
Disposals	-	(49)	(23,319)	(23,368)
At 30 April 1981	18,648	274,496	71,816	364,960
Net book amount at 30 April 1981	<u>£12,829</u>	<u>£52,178</u>	<u>£99,922</u>	<u>£164,929</u>
Net book amount at 30 April 1980	<u>£15,160</u>	<u>-</u>	<u>-</u>	<u>£15,160</u>

## WOELLWARTH &amp; COMPANY LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

## 9 SHARE CAPITAL

	Authorised, issued and fully paid	
	<u>1981</u>	<u>1980</u>
200,000 5p ordinary deferred shares	10,000	10,000
200,000 1p ordinary shares	<u>2,000</u>	<u>2,000</u>
	<u>£12,000</u>	<u>£12,000</u>

## 10 SUBSIDIARIES

The following are the company's subsidiaries. Each is wholly owned and incorporated in England.

Woellwarth & Co (Management) Limited  
 Woellwarth & Co (Foreign Exchange) Limited  
 Woellwarth & Co (Deposits) Limited  
 Woellwarth & Co (Overseas) Limited  
 Darisnawn Limited

## 11 ULTIMATE HOLDING COMPANY

The ultimate holding company is Mercantile House Holdings Limited which is incorporated in England.