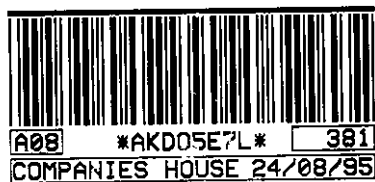


**CHELSEA SECURITIES "B" LIMITED**

**REPORT AND ACCOUNTS**

**31 DECEMBER 1994**



# CHELSEA SECURITIES "B" LIMITED

31 DECEMBER 1994

Directors:                   The Rt Hon The Earl Cadogan MC DL  
                                Viscount Chelsea  
                                S D Staughton

Secretary:                   J L Treves

Registered                   18 Cadogan Gardens  
Office:                      London SW3 2RP

Registered                   670040  
number:

# CHELSEA SECURITIES "B" LIMITED

## DIRECTORS' REPORT

The directors present their report for the period ended 31 December 1994.

### PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS DEVELOPMENTS

The company continues to be an investment holding company.

### ACCOUNTS AND DIVIDENDS

The accounts show a profit for the period attributable to shareholders of £13,955. The directors recommend the payment of a dividend of £13,000.

### DIRECTORS

The directors listed on page 1 held office throughout the period under review.

None of the directors has any beneficial interest in the shares of the company.

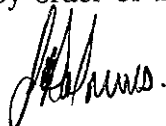
### THE DIRECTORS' RESPONSIBILITIES IN RELATION TO THE COMPANY'S ACCOUNTS

The directors are required by the Companies Act 1985 to prepare accounts which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the result for the period. The directors consider that, in preparing the accounts which accompany this report, the company has used appropriate accounting policies, and that all accounting standards which they believe to be applicable have been followed. They further consider that these accounting policies have been consistently applied and are supported by reasonable and prudent judgements and estimates.

The accounts have been prepared on a going concern basis as the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

The directors have responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the accounts comply with the Companies Act 1985. The directors also have a general responsibility for taking such steps as are reasonably open to them to safeguard the company's assets and to prevent and detect fraud and other irregularities.

By order of the board



J L Treves

Secretary

24 May 1995

**REPORT OF THE AUDITORS  
TO THE MEMBERS OF CHELSEA SECURITIES "B" LIMITED**

We have audited the accounts on pages 4 to 9 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 6.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 2 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

**OPINION**

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 December 1994 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

*Ernst & Young.*

Ernst & Young  
Chartered accountants  
Registered auditor  
London  
24 May 1995

**CHELSEA SECURITIES "B" LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE PERIOD ENDED 31 DECEMBER 1994**

	Note	1994 £	1993 £
<b>INCOME</b>			
Income from fixed asset investments	2	17,955	16,968
Bank deposit interest receivable		368	336
		<u>18,323</u>	<u>17,304</u>
<b>ADMINISTRATIVE EXPENSES</b>			
Auditors' remuneration		646	670
Audit fees		635	572
Other services		636	634
Other administrative expenses		<u>1,917</u>	<u>1,876</u>
		16,406	15,428
<b>OPERATING INCOME</b>			
Profit on sales of investments	7	<u>1,483</u>	<u>24,755</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		17,889	40,183
Taxation on profit on ordinary activities	4	<u>3,934</u>	<u>9,872</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		13,955	30,311
Proposed dividend		<u>13,000</u>	<u>12,000</u>
<b>RETAINED PROFIT FOR THE FINANCIAL PERIOD</b>		<u>£955</u>	<u>£18,311</u>



A statement of movement on reserves is set out in note 7.

**RECOGNISED GAINS AND LOSSES**

There were no recognised gains and losses other than the profit attributable to shareholders of the company of £13,955 in the period ended 31 December 1994 and £30,311 in the year ended 25 December 1993.

## CHELSEA SECURITIES "B" LIMITED

BALANCE SHEET  
31 DECEMBER 1994

	Note	1994 £	1993 £
<b>FIXED ASSETS</b>			
Investments	5	<u>160,815</u>	<u>161,060</u>
<b>CURRENT ASSETS</b>			
Debtors		118	27,940
Cash at bank		<u>18,935</u>	<u>20,323</u>
		<u>19,053</u>	<u>48,263</u>
<b>CREDITORS - amounts falling due within one year</b>			
Other creditors		2,047	28,706
Taxation		352	6,069
Dividends		<u>25,000</u>	<u>23,000</u>
		<u>27,399</u>	<u>57,775</u>
<b>NET CURRENT LIABILITIES</b>		<u>(8,346)</u>	<u>(9,512)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>152,469</u>	<u>151,548</u>
<b>PROVISION FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	4	<u>2</u>	<u>36</u>
		<u>£152,467</u>	<u>£151,512</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	6	100	100
Capital reserve	7	151,970	150,950
Profit and loss account	7	397	462
Viscount Chelsea - Director  S D Staughton - Director  24 May 1995			
	8	<u>£152,467</u>	<u>£151,512</u>

# CHELSEA SECURITIES "B" LIMITED

## NOTES ON THE ACCOUNTS 31 DECEMBER 1994

### 1 ACCOUNTING POLICIES

#### (a) Accounting convention

The accounts have been prepared in accordance with all applicable accounting standards and under the historical cost convention.

#### (b) Deferred taxation

Provision is made for deferred taxation on all material timing differences which are expected to crystallise in the foreseeable future.

#### (c) Income from fixed asset investments

Dividends and interest received from investments, other than from British Government stocks, are credited to the profit and loss account on the due payment dates without making any adjustments for amounts accrued at the dates of purchase and sale of the securities.

Franked income includes the tax credit relating to dividends receivable and this tax has been written off in the taxation charge.

#### (d) Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction.

### 2 INCOME FROM FIXED ASSET INVESTMENTS

	1994 £	1993 £
Listed investments:		
Franked income	14,497	11,130
Unfranked income	3,458	2,818
	<u>17,955</u>	<u>13,948</u>
Unlisted investments:		
Franked income	-	3,020
	<u>£17,955</u>	<u>£16,968</u>

### 3 EMOLUMENTS OF DIRECTORS

The directors received no remuneration during the period (1993 - nil).

# CHELSEA SECURITIES "B" LIMITED

## NOTES ON THE ACCOUNTS 31 DECEMBER 1994

### 4 TAXATION

- (a) Provision has been made for corporation tax at current rates on the assessable profit for the period. The taxation charge in the profit and loss account comprises the following:

	1994 £	1993 £
Corporation tax	850	6,625
Tax credit on UK dividends received	3,118	3,260
Deferred taxation	(34)	(15)
Adjustment in respect of previous years	-	2
	<u>£3,934</u>	<u>£9,872</u>

The company is a close investment holding company.

- (b) The full potential liability for deferred taxation comprises the following:

	1994	1993
Short term timing differences	<u>£2</u>	<u>£36</u>

### 5 INVESTMENTS

	Listed £	Unlisted £	Total £
Cost at 25 December 1993	158,847	2,213	161,060
Transfer	2,213	(2,213)	-
Sales during period	(245)	-	(245)
Cost at 31 December 1994	<u>£160,815</u>	<u>-</u>	<u>£160,815</u>
Market value at 31 December 1994	<u>£545,477</u>	<u>-</u>	<u>£545,477</u>
at 25 December 1993	<u>£488,169</u>	<u>£88,815</u>	<u>£576,984</u>



# CHELSEA SECURITIES "B" LIMITED

## NOTES ON THE ACCOUNTS 31 DECEMBER 1994

### 5 INVESTMENTS (continued)

The investments include the following holdings which individually exceed 10% of the total cost:

Company	Holding	Country of incorporation/ registration
American Trust plc	11,250 ordinary shares	Scotland
Bowater plc	5,000 ordinary shares	England
Royal Dutch Petroleum Company	500 ordinary shares	Netherlands
Unilever N.V.	450 ordinary shares	Netherlands

Each holding represents less than 1% of the company's issued share capital.

The taxation liability that would arise if the investments were realised at their market value would amount to £104,000 (1993 - £118,000).

### 6 CALLED UP SHARE CAPITAL

	1994	1993
Shares of £1 each		
Authorised	£1,000	£1,000
	<hr/>	<hr/>
Allotted and fully paid	£100	£100
	<hr/>	<hr/>

### 7 RESERVES

	Capital reserves £	Profit and loss £
Retained profit for the period	-	955
Transfer to capital reserve:		
Profit on sale of investments	1,483	(1,483)
Taxation thereon	(463)	463
	<hr/>	<hr/>
	1,020	(65)
Balances at 25 December 1993	150,950	462
Balances at 31 December 1994	<hr/> £151,970 <hr/>	<hr/> £397 <hr/>

# CHELSEA SECURITIES "B" LIMITED

## NOTES ON THE ACCOUNTS 31 DECEMBER 1994

### 8 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	1994 £	1993 £
Profit attributable to members	13,955	30,311
Dividends	13,000	12,000
	<hr/>	<hr/>
Net addition to shareholders' funds	955	18,311
Opening shareholders' funds	151,512	133,201
	<hr/>	<hr/>
Closing shareholders' funds	<u>£152,467</u>	<u>£151,512</u>