

# SHIELD PROPERTIES & INVESTMENTS LIMITED

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## DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the year ended 31 December 1995.

### Review of the Business

The Company did not trade during the year under review.

There has been no change in this respect since the end of that year.

### Accounts and Dividends

The Company made no profit for the year under review (fifteen months ended 31 December 1994 : loss of £465,234 representing a dividend payment).

The state of the Company's affairs at the end of the year under review is shown in the accompanying balance sheet.

The entitlement to a preference dividend for the year under review has been waived by the shareholder.

No dividends were declared or paid on the Company's ordinary shares during the year under review and the Directors are not recommending the payment of any such dividend in respect of that year.

### Directors

Messrs P F Doye, J D Harris and J H Williamson served as Directors of the Company throughout the year under review.

No other person was a Director at any time during that year.

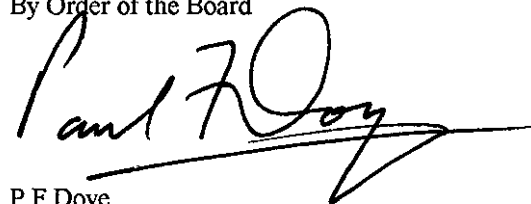
### Directors' Interests

None of the Directors had, at the end of the year under review, any interests in the shares in the Company or in the securities of any other company in the Group of which it is a member, save that Mr J H Williamson had a beneficial interest, at both the beginning and end of the year under review, in 35 participating preference shares in Manilsa Limited (in members' voluntary liquidation).

### Auditors

Unless a resolution is duly passed by the Company in General Meeting to the effect that their appointment be brought to an end, the Company's auditors, Coopers & Lybrand, will be deemed to be re-appointed for the next financial year.

By Order of the Board



P F Doye  
Director

9 October 1996



# SHIELD PROPERTIES & INVESTMENTS LIMITED

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## DIRECTORS' RESPONSIBILITIES

The Directors are required by law to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss, if any, for the period. The financial statements must be prepared in accordance with the required formats and disclosures of the Companies Act 1985 and with applicable accounting standards.

In addition, the Directors are required:

- \* to adopt suitable accounting policies and then apply them consistently, supported by judgements and estimates that are reasonable and prudent;
- \* to prepare financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that the financial statements comply with the above requirements.

The Directors are also responsible for maintaining adequate accounting records, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

# SHIELD PROPERTIES & INVESTMENTS LIMITED

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## REPORT OF THE AUDITORS TO THE MEMBERS OF SHIELD PROPERTIES & INVESTMENTS LIMITED

We have audited the financial statements on pages 4 to 8.

### Respective Responsibilities of Directors and Auditors

As described on page 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.

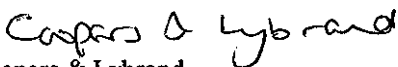
### Basis of Opinion

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 the 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 financial statements give a true and fair view of the state of affairs of the Company at 31 December 1995 and have been properly prepared in accordance with the Companies Act 1985.

  
Coopers & Lybrand  
Chartered Accountants and Registered Auditors  
London

9 October 1996

# SHIELD PROPERTIES & INVESTMENTS LIMITED

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## PROFIT AND LOSS ACCOUNT for the year ended 31 December 1995

		Year to 31 December 1995 £	15 Mths to 31 December 1994 £
	Notes		
Dividend on equity shares		-	(465,234)
Retained deficit for the financial period	11	-	(465,234)

The Company has no recognised gains and losses other than those included in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the retained loss for the financial period stated above and its historical cost equivalent.

# SHIELD PROPERTIES & INVESTMENTS LIMITED

## BALANCE SHEET as at 31 December 1995

	Notes	1995 £	1994 £
<b>Current Assets</b>			
Debtors - Amounts falling due within one year	5	8,369	8,283
Debtors - Amounts falling due after one year	6	130,055	133,024
<b>Current Liabilities</b>			
Creditors - Amounts falling due within one year	7	(2,969)	(2,883)
<b>Net Current Assets</b>		<u>135,455</u>	<u>138,424</u>
<b>Creditors - Amounts falling due after one year</b>	8	<u>(130,055)</u>	<u>(133,024)</u>
<b>Net Assets</b>		<u>5,400</u>	<u>5,400</u>
<b>Capital and Reserves</b>			
Called up share capital	10	5,400	5,400
Profit and Loss Account	11	-	-
Equity interests		400	400
Non-equity interests		5,000	5,000
<b>Total Shareholders' Funds</b>	12	<u>5,400</u>	<u>5,400</u>

The financial statements on pages 4 to 8 were approved by the Board of Directors on 9 October 1996, and signed on its behalf by:-

  
P F Doye  
Director

# SHIELD PROPERTIES & INVESTMENTS LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

31 December 1995

### 1. Accounting Policies

#### (a) *Basis of Preparation*

These financial statements have been prepared under the historical cost convention and in accordance with accounting standards applicable to the United Kingdom.

#### (b) *Cash Flow Statement*

These financial statements do not contain a cash flow statement by virtue of the exemptions available to the Company within Financial Reporting Standard No. 1. The cash flows of the Company are included in the consolidated cash flow statement which forms part of the consolidated financial statements of the Company's intermediate parent undertaking, Charterhouse plc.

### 2. Directors' Emoluments

The Directors' emoluments are borne by the immediate parent undertaking, Shield Properties & Investments (Holdings) Limited. No apportionment of costs for services performed by the Directors in relation to the Company has been made by the parent undertaking to Shield Properties & Investments Limited.

### 3. Auditors' Remuneration

The auditors' remuneration for the current financial year and the previous period has been borne by the immediate parent undertaking.

### 4. Employees

The Company had no employees during the financial period (1994: nil)

### 5. Debtors - Amounts Falling Due Within One Year

	1995 £	1994 £
Amounts due from immediate parent undertaking	8,369	8,283

### 6. Debtors - Amounts Falling Due After One Year

	1995 £	1994 £
Amounts due from immediate parent undertaking	130,055	133,024

# SHIELD PROPERTIES & INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 December 1995

### 7. Creditors - Amounts Falling Due Within One Year

	1995 £	1994 £
7½% mortgage loan (note 9)	(2,969)	(2,883)

### 8. Creditors - Amounts Falling Due After One Year

	1995 £	1994 £
7½% mortgage loan	(130,055)	(133,024)

The mortgage loan is secured on the long leasehold investment property which was transferred to the Company's parent undertaking, Shield Properties & Investments (Holdings) Limited, during 1990. The mortgage loan is repayable by annual instalments with the final instalment payable on 31 January 2006. Instalments totalling £117,260 are repayable in more than five years.

An obligation to pay all monies due by the Company under the mortgage loan has been assumed by the Company's parent undertaking. The Company's total liability shown in these accounts is £130,055 and an equal amount due to the Company is included in current assets, amount due from the Company's parent undertaking.

### 9. Maturity Statement of Debt

	1995 £	1994 £
<b>7½% Mortgage Loan</b>		
Aggregate amount repayable within:		
In 1 year or less	2,969	2,883
Between 1 and 2 years	3,059	2,969
Between 2 and 5 years	9,736	9,453
After 5 years	117,260	120,602
	<b>133,024</b>	<b>135,907</b>

### 10. Share Capital

	1995 £	1994 £
<b>Equity</b>		
Authorised, allotted, called up and fully paid:		
400 Ordinary Shares of £1 each	400	400
<b>Non equity</b>		
5,000 6% (now 4.2% plus tax credit) Cumulative Preference Shares of £1 each	5,000	5,000
	<b>5,400</b>	<b>5,400</b>

# SHIELD PROPERTIES & INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 December 1995

### Rights of the preference shares

The Preference Shares carry a right to a fixed cumulative preferential dividend at the rate of 6 per cent (now 4.2 per cent plus tax credit) per annum and a right in a winding-up to repayment of capital and arrears of dividend whether earned or declared or not up to the commencement of the winding up in priority to all other shares.

The right to receipt of dividends has been waived by Shield Properties & Investments (Holdings) Limited, the beneficial holder of such shares, until 31 December 1996.

### 11. Profit and Loss Account

	£
Balance at 1 January 1995	-
Retained profit for the year	-
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Balance at 31 December 1995	-
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### 12. Reconciliation of Movement in Shareholders' Funds

	£
Shareholders' Funds at 1 October 1993	470,634
Retained loss for the period	(465,234)
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Shareholders' Funds brought forward 1 January 1995	5,400
Retained profit for the year	-
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Shareholders' Funds at 31 December 1995	5,400
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### 13. Parent Undertakings

The Company is a wholly owned subsidiary undertaking of Shield Properties & Investments (Holdings) Limited which is in turn a wholly owned subsidiary undertaking of Charterhouse Bank Limited, which is registered in England and Wales and which is the parent undertaking of the smallest group of which the Company is a member and for which group accounts are drawn up. Copies of those accounts can be obtained from the Company Secretary, Charterhouse Bank Limited, 1 Paternoster Row, St Paul's, London, EC4M 7DH.

The parent undertaking of the largest group of which the Company is a member and for which group accounts are drawn up is European Corporate Finance Holding SA, the company regarded by the Directors as being the Company's ultimate parent undertaking as at 31 December 1995, which is incorporated in Luxembourg and which is directly or indirectly jointly owned by BHF-BANK AG and Credit Commercial de France SA. Copies of the accounts of European Corporate Finance Holding SA are available from that company at 8, Avenue Marie-Thérèse, L2132 Luxembourg.