

**KLEINWORT BENSON METALS LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**

**31 DECEMBER 1995**



## REPORT OF THE DIRECTORS

The directors submit their annual report, together with the audited financial statements, for the year ended 31 December 1995.

## PRINCIPAL ACTIVITY

The company's principal activity is to receive interest on funds deposited with the parent company.

## RESULTS AND DIVIDENDS

The results of the company for the year are set out in detail on page 4.

The directors do not recommend the payment of a dividend (1994 - £Nil). Retained profits of £608,866 (1994 - £519,000) have been added to reserves.

## DIRECTORS

The following were directors of the company during the year unless otherwise stated:

B W J Manning	Chairman (resigned 29 March 1996)
J M Ball	
S P Ball	(appointed 29 March 1996)
R C H Jeens	(resigned 4 March 1996)

## DIRECTORS' INTERESTS

None of the directors had any interests in the share capital of the company.

The disclosable interests of B W J Manning and R C H Jeens in the shares, options and debentures of Group companies as at the year end are shown in the directors' report of Kleinwort Benson Group plc. The interests of J M Ball and S P Ball are likewise shown in the directors report of Kleinwort Benson Limited.

## CHANGE OF ULTIMATE PARENT

The ultimate parent company is Dresdner Bank AG. On 7 August 1995, Kleinwort Benson Group plc, the ultimate parent company until this date, was acquired by Dresdner Investments (UK) plc, a company incorporated in Great Britain and registered in England and Wales. Dresdner Investments (UK) plc is a wholly-owned direct subsidiary of Zenon Beteiligungs GmbH which is itself a wholly-owned direct subsidiary of Dresdner Bank AG.

## POST BALANCE SHEET EVENT

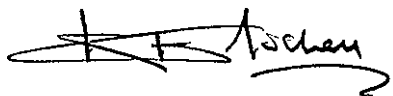
On 23 July 1996, the authorised share capital of the Company was increased by the creation of 65,000,000 million (sixty-five million) preference shares of £1 each. These shares were issued and allotted at par on 25 July 1996.

## AUDITORS

On 1 February 1996 the auditors changed the name under which they practise to Deloitte & Touche and, accordingly, have signed their report in their new name. Deloitte & Touche have indicated their intention to resign as auditors of the company following the approval of the report and accounts for the year ended 31 December 1995. At that time the directors will appoint Coopers & Lybrand as auditors of the company.

Coopers & Lybrand have expressed their willingness to act as auditors of the company, and a resolution for their appointment will be proposed at the forthcoming AGM.

Approved by the Board  
Signed on behalf of the Board

A handwritten signature in black ink, appearing to read 'K R Ascham', with a stylized flourish at the end.

K R Ascham  
Secretary

28th October 1996

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**REPORT OF THE AUDITORS**

We have audited the financial statements on pages 5 to 8 which have been prepared under the accounting policies set out on page 7.

**Respective responsibilities of directors and auditors**

As described on page 3 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.

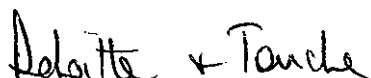
**Basis of opinion**

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 its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche  
Chartered Accountants and  
Registered Auditors  
Stonecutter Court  
1 Stonecutter Street  
London  
EC4A 4TR

29 October 1996

## PROFIT AND LOSS ACCOUNT

Year ended 31 December 1995

	Notes	1995 <u>£000's</u>	1994 <u>£000's</u>
Interest receivable & similar income:			
Interest from group undertakings		699	596
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>699</u>	<u>596</u>
Tax on profit on ordinary activities	3	(91)	(77)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION TRANSFERRED TO RESERVES	5	<u>608</u>	<u>519</u>

The movement in reserves is set out in note 4 to the accounts.

The notes on pages 7 and 8 form part of these accounts.

There are no recognised gains or losses for the current financial year and preceding financial year other than as stated above.

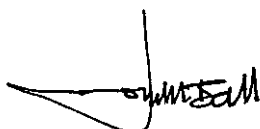
## BALANCE SHEET

as at 31 December 1995

	Notes	1995 <u>£000's</u>	1994 <u>£000's</u>
CURRENT ASSETS			
Debtors: Amounts owed by group undertakings		12,187	11,561
CREDITORS-AMOUNTS FALLING DUE WITHIN ONE YEAR:			
Taxation		(95)	(77)
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		12,092	11,484
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	4	10,000	10,000
Profit and loss account	5	2,092	1,484
		<hr/>	<hr/>
TOTAL EQUITY SHAREHOLDERS' FUNDS		12,092	11,484
		<hr/>	<hr/>

Approved by the Board of Directors on  
Signed on behalf of the Board of Directors

28 October 1996



J.M. Ball

The notes on pages 7 and 8 form part of these accounts.

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1995**

**1. ACCOUNTING POLICIES**

These financial statements are prepared in accordance with applicable accounting standards.

The particular accounting policies adopted are described below.

**a) Accounting Convention**

The financial statements have been prepared under the historical cost convention.

**b) Cash Flow Statement**

These financial statements do not include a cash flow statement in accordance with Financial Reporting Standard No.1 as a consolidated cash flow statement is prepared by Kleinwort Benson Group plc, the UK parent company.

**2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAX**

The expenses of the company have been borne by Kleinwort Benson Limited, the intermediate parent company. The company had no employees during the year.

**3. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	1995 £000's	1994 £000's
UK corporation tax @ 33%	231	196
Advanced corporation tax written back	(140)	(119)
	<hr/> 91	<hr/> 77

**4. CALLED UP SHARE CAPITAL**

	1995 £000's	1994 £000's
10,000,000 Ordinary shares of £1 each authorised, allotted and fully paid	10,000	10,000

**5. COMBINED RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS  
AND STATEMENT OF MOVEMENTS ON RESERVES**

	Issued share capital 1995 £000's	Profit & Loss account 1995 £000's	Total 1995 £000's	Total 1994 £000's
1 January	10,000	1,484	11,484	10,965
Profit attributable to shareholders	-	608	608	519
	<hr/> 10,000	<hr/> 2,092	<hr/> 12,092	<hr/> 11,484
31 December	10,000	2,092	12,092	11,484



**NOTES TO THE ACCOUNTS**

Year ended 31 December 1995

**6.POST BALANCE SHEET EVENT**

On 23 July 1996, the authorised share capital was increased by the creation of 65,000,000 preference shares of £1 each. These shares were issued and allotted at par on 25 July 1996.

**7.ULTIMATE PARENT COMPANY**

From 7 August 1995, the ultimate parent company was Dresdner Bank AG, a company incorporated in Germany. Prior to this date, the ultimate parent company was Kleinwort Benson Group plc, a company incorporated in Great Britain and registered in England and Wales, which for consolidation purposes remains the parent undertaking of the smallest group of which the company is a member. Copies of the consolidated financial statements of both of these companies will be filed in due course at the Companies Registration Office, Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.