

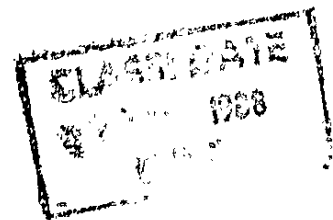
PRIVATE AND CONFIDENTIAL

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## ACCOUNTS

STALBURY TRUSTEES  
(An unlimited company  
having a share capital)

3rd July 1987



SPICER & OPPENHEIM

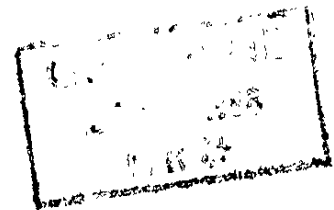
A MEMBER OF SPICER & OPPENHEIM INTERNATIONAL

REGISTERED ACCOUNTANTS

## ACCOUNTS

STALBURY TRUSTEES  
(An unlimited company  
having a share capital)

3rd July 1987



SPICER & OPPENHEIM  
A MEMBER OF SPICER & OPPENHEIM INTERNATIONAL  
CHARTERED ACCOUNTANTS

## REPORT OF THE DIRECTORS

The directors submit their report and the audited accounts for the year ended 3rd July 1987.

## PRINCIPAL ACTIVITY

The principal activity of the company is the promotion of conservative principles and for the benefit of the conservative cause or Party.

## REVIEW OF ACTIVITIES

A total of £42,271 was donated to causes to which the directors may allocate the company resources.

## DIRECTORS AND DIRECTORS' INTERESTS

The directors who served during the year and their interests in the share capital of the company were as follows:

	<u>Shares of £1 each</u>	
	1987	1986
Marquess of Salisbury	1	1
Viscount Cranborne	1	1
Earl of Verulam	1	1
U.D. Barnett	1	1

## CLOSE COMPANY

The company is a close company within the meaning of the Income and Corporation Taxes Act 1970 (as amended).

## AUDITORS

Spicer and Pegler changed their name on 18th January 1988 to Spicer & Oppenheim and accordingly have signed their audit report in their new name. A resolution to reappoint Spicer & Oppenheim as auditors will be proposed at the Annual General Meeting.

By order of the board

U.D. Barnett

Secretary

AUDITORS' REPORT TO THE MEMBERS OF STALBURY TRUSTEES

We have audited the financial statements on pages 3 to 7 in accordance with approved Auditing Standards.

In our opinion, the financial statements, which have been prepared under the historical cost convention, give a true and fair view of the state of affairs of the company at 3rd July 1987 and of its loss for the year then ended and comply with the Companies Act 1985.

Groydon

19<sup>th</sup> February 1988

*Spice & Oppenheim*

Chartered Accountants

PROFIT AND LOSS ACCOUNT  
for the year ended 3rd July 1987

	Note	1987	1986
<b>INCOME</b>			
Income from quoted investments	16,953	19,889	
Interest receivable	1,259	1,816	
Rents receivable	10	10	
Sundry income	315	-	
		<u>18,537</u>	<u>21,715</u>
<b>EXPENSES</b>			
Payments to conservative associations	42,271	16,350	
Insurances	108	104	
Auditors' remuneration	638	824	
Legal and professional	1,743	1,008	
Accountancy	250	200	
General expenses	556	118	
		<u>(45,566)</u>	<u>(18,604)</u>
		(27,029)	3,111
(LOSS) PROFIT BEFORE TAXATION			
TAXATION	3	(5,433)	(8,354)
		<u>(32,462)</u>	<u>(5,243)</u>
LOSS AFTER TAXATION			
EXTRAORDINARY ITEMS	4	121,754	50,863
Less transfer to capital reserve	10	(121,754)	(50,863)
		<u>-</u>	<u>-</u>
		(32,462)	(5,243)
Distributable revenue reserve brought forward		44,010	49,253
DISTRIBUTABLE REVENUE		<u>£11,548</u>	<u>£44,010</u>
RESERVE carried forward			

The notes on pages 5 to 7 form an integral part of these accounts.

## STALBURY TRUSTEES

page 4

BALANCE SHEET  
3rd July 1987

	Note	1987	1986
<b>FIXED ASSETS</b>			
Tangible assets	5	20,903	20,903
Investments	6	447,448	305,265
		<u>468,351</u>	<u>326,168</u>
<b>CURRENT ASSETS</b>			
Debtors	7	31,336	32,966
Cash at bank and in hand		8,958	26,113
		<u>40,294</u>	<u>59,079</u>
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	8	(56,147)	(22,041)
<b>NET CURRENT ASSETS</b>		<u>(15,853)</u>	<u>37,038</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>£452,498</u>	<u>£363,206</u>
<b>CAPITAL AND RESERVES</b>			
<b>CALLED UP SHARE CAPITAL</b>	9	4	4
<b>RESERVES</b>			
Distributable revenue reserves		11,548	44,010
Distributable capital reserves	10	440,946	319,192
		<u>452,494</u>	<u>363,202</u>

APPROVED BY THE BOARD OF DIRECTORS

*Salisbury*  
*A. D. Bamber*

*19 February 1988.*

£452,498£363,206

The notes on pages 5 to 7 form an integral part of these accounts.

2723/40-A7

## NOTES TO THE ACCOUNTS

3rd July 1987

## 1. ACCOUNTING POLICIES

- a) These accounts have been prepared in accordance with the historical cost convention.
- b) Profit and loss on sales of investments are credited through extraordinary items to the profit and loss account and transferred to the distributable Capital Reserve after deducting any liability to capital gains tax.
- c) Investments are stated at cost.
- d) COMPANIES ACT 1985  
The directors are of the opinion that the formats of profit and loss accounts prescribed in Schedule 4 of the Companies Act 1985 are not relevant to the company due to the special nature of its operations.
- e) FREEHOLD PROPERTY  
Freehold property is stated at cost. No depreciation has been provided as the directors consider the market value to be in excess of cost.

## 2. DIRECTORS

None of the directors received any remuneration during the year (1986 - £nil).

## 3. TAXATION

1987

1986

Taxation is based on the profits of the year and comprises:

Suffered on investment income	4,805	5,262
Corporation tax (at 27%) on other income	541	1,183
Adjustments in respect of previous years	87	1,909
	<hr/>	<hr/>
	£5,433	£8,354

## 4. EXTRAORDINARY ITEMS

Profit on disposal of quoted investments	167,513	67,908
Less taxation thereon	(45,759)	(17,045)
	<hr/>	<hr/>
	£121,754	£50,863

## 5. TANGIBLE ASSETS

Freehold property - at cost	£20,903	£20,903
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS  
3rd July 1987

6.	FIXED ASSET INVESTMENTS	1987	1986
a)	Listed Investments	425,448	287,265
b)	Unlisted Investments	22,000	18,000
		<hr/>	<hr/>
		£447,448	£305,265
		<hr/>	<hr/>
a)	LISTED INVESTMENTS		
	COST		
	At 4th July 1986		287,265
	Acquired		194,736
	Sold		(56,553)
			<hr/>
	At 3rd July 1987		£425,448
			<hr/>
	MARKET VALUE		£926,541
			<hr/>
	Listed investments are on a recognised Stock Exchange. One of the quoted investments (cost £5,250) listed on the Luxembourg Stock Exchange, has not been traded in the year and is shown with the market value at cost.		
b)	UNLISTED INVESTMENTS		
	COST		
	At 4th July 1986		18,000
	Acquired		4,000
			<hr/>
	At 3rd July 1987		£22,000
			<hr/>
	In the opinion of the directors the market value of the unlisted investments is not less than cost.		
7.	DEBTORS	1987	1986
	Loan	31,000	32,000
	Other debtors	-	413
	Prepayments and accrued income	336	553
		<hr/>	<hr/>
		£31,336	£32,966
		<hr/>	<hr/>

The loan is secured, interest free and repayable on demand.



NOTES TO THE ACCOUNTS  
3rd July 1987

8.	CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	1987	1986
	Creditors	1,617	1,672
	Corporation tax	54,530	20,369
		<u>          </u>	<u>          </u>
		£56,147	£22,041
		<u>          </u>	<u>          </u>
9.	SHARE CAPITAL		
	Authorised		
	Shares of £1 each	£100	£100
		<u>          </u>	<u>          </u>
	Issued and fully paid		
	Shares of £1 each	£4	£4
		<u>          </u>	<u>          </u>
10.	DISTRIBUTABLE CAPITAL RESERVE		
	Balance at 3rd July 1986	319,192	268,329
	Profit on sale of investments		
	transferred from profit and loss account	121,754	50,863
		<u>          </u>	<u>          </u>
	Balance at 3rd July 1987	£440,946	£319,192
		<u>          </u>	<u>          </u>

The final capital gains tax charge on the transfer of assets from The Salisbury Trust has yet to be agreed with the Inland Revenue.

## 11. FUTURE CAPITAL COMMITMENTS

Uncalled capital on listed and unlisted investments at 3rd July 1987 amounted to £10,780. (1986 - £16,500).

SCHEDULE OF INVESTMENTS  
3rd July 1987

QUOTED INVESTMENTS		Cost	Market value 3rd July 1987	Lower of cost and market value	Dividends and interest for the year ended 3rd July 1987 Inclusive of tax credit	Tax credit
7,260	Beecham Group Plc Ordinary 25p shares	12,468	41,019	12,468	1,227	355
7,140	Securities Trust of Scotland PLC Ordinary 25p shares	4,996	8,782	4,996	296	82
17,500	Greenfair Investments PLC Ordinary 25p shares )	6,410	107,413	6,410	704	204
5,800	Warrants to subscribe for ) Ordinary 25p shares )					
30,000	Scottish Eastern Investment Trust Plc Ordinary 25p shares	4,620	49,200	4,620	1,462	406
78,800	Witan Investment Co. Plc Ordinary 25p shares	8,990	120,564	8,990	2,138	620
8,760	Britoil Plc Ordinary 10p shares	20,374	28,645	20,374	967	266
5,833	Commercial Union Assurance Co. Plc Ordinary 25p shares	4,843	21,874	4,843	1,050	292
7,500	Royal Insurance Co. Plc New Ordinary 25p shares	9,348	38,850	9,348	555	161
6,700	Reuters Holdings 'B' Ordinary 20p shares	21,332	57,017	21,332	500	141
3,000	I.C.I. PLC Ordinary £1 stock units	10,784	44,438	10,784	1,521	441
16,200	London & Scottish Marine Oil PLC Ordinary 25p shares	25,284	52,002	25,284	1,553	419
3,333	Sturge Holdings PLC Ordinary 25p shares	10,262	18,098	10,262	282	82
5,069	Myson Group PLC Ordinary 25p shares	3,903	14,193	3,903	281	78
4,480	Cable & Wireless PLC Ordinary 50p shares	4,955	17,562	4,955	319	92
16,000	Newmarket Co. PLC. Ordinary 5 cent shares	25,364	24,480	24,480	-	-
5,000	Govett Oriental Trust Plc Ordinary 25p shares	4,565	18,800	4,565	444	125
1,500	Abingworth PLC Ordinary 10p shares	4,604	4,770	4,604	26	8
3,500	International Thomson Organisation Plc Ordinary no par value common shares	17,697	22,400	17,697	918	260
£19,688	2½ Index Linked Treasury Stock 1988 Baronsmead Venture Capital Plc	20,746	25,693	20,746	507	147
500	Ordinary 50p shares	250	250	250	-	-
£5,000	Convertible Unsecured Loan Stock 1995 Guinness PLC	5,000	5,000	5,000	-	-
5,000	Ordinary 25p shares	15,345	18,350	15,345	703	193
5,000	Templeton Galbraith Ordinary \$0.01 shares	10,750	12,900	10,750	-	-
600	TSB PLC Ordinary shares	300	534	300	9	3
400	Geest PLC Ordinary 5p shares	500	1,144	500	6	2
1,200	British Gas PLC Ordinary shares	1,140	2,220	1,140	-	-
£169,707	Treasury 9½/2% Conv. 1989	170,618	170,343	170,343	-	-
UNLISTED INVESTMENT		425,448	926,541	424,289	15,477	4,378
10,000	English & Caledonian Investment PLC £1 shares	12,000	12,000	12,000	211	61
20,000	Heriot Hotels Limited Ordinary 50p shares	10,000	10,000	10,000	-	-
		£447,448	£948,541	£446,289	15,688	4,439
Dividends received to 3rd July 1987 for investments sold during the year						
1,852	Marsh & McLennan £1 stock units				1,150	3.3
5,400	S.T.C. PLC Ordinary 25p shares				115	33
					£16,953	£4,805