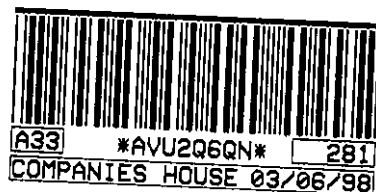


Company Number 02144551

BWD Rensburg Limited

Report and Financial Statements

30th November 1997



BWD RENSBURG LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their report with the financial statements for the year to 30th November, 1997.

The company's principal activities are stockbroking and Personal Asset Management Services to private and corporate clients.

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 affairs of the company and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to:

- i) select suitable accounting policies and then apply them consistently;
- ii) make judgements and estimates that are reasonable and prudent;
- iii) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- iv) 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

RESULTS AND DIVIDENDS

The profit after taxation amounted to £1,974,704. An interim dividend of £392,000 was paid during the year. The directors recommend the payment of a final dividend of £1,300,000.

CASH FLOW STATEMENT

Financial Reporting Standard 1 (Revised 1996), (FRS 1 (Revised 1996)) has been implemented by the company's holding company, BWD Securities PLC. The company itself is a wholly owned subsidiary of BWD Securities PLC and as such is an exempt entity under FRS 1 (Revised 1996).

BWD RENSBURG LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

DIRECTORS AND THEIR INTERESTS

The directors who held office at the end of the year were as follows:-

Interest in 10p Ordinary Shares of BWD Securities PLC			
	Date of Appointment	At 30th November 1997	At 1st December 1996 or Date of Appointment
	-----	-----	-----
C. Addenbrooke		Nil	Nil
R.A. Allen		500	500
B.A. Anysz		See below	See below
I.W. Bakewell		11,000	16,000
G.B. Barlow		43,676	43,676
S.J. Brown		Nil	Nil
M.H. Burns		See below	See below
P. Burton		Nil	Nil
M.J.P. Cooke		235,000	215,000
S.P.H. Cookson		50,000	80,000
J.H. Craven		Nil	Nil
M.J. Dickinson		See below	See below
J.G.T. Dyson		1,481	1,481
A.H. Goodchild		14,000	1,481
J.R.J. Greenhalgh		120,783	150,783
M.M. Grime		256,000	256,000
J.L. Hagan		90,000	90,000
M.N. Hall		Nil	Nil
N.C.W. Hilton		Nil	Nil
S.N. Holden		Nil	Nil
J.F. Johnston		Nil	Nil
S.G. Kaye		100	100
T. Kerrigan		Nil	Nil
N.S. Lanceley		20,000	20,000
J.A. Langenegger		15,000	15,000
S.J.D. Light		Nil	Nil
D.J. Neal		Nil	Nil
I.C. MacDonald	(appointed 01/09/97)	Nil	Nil
P. Mahony		Nil	Nil
N.P.R. Marsh	(appointed 01/09/97)	Nil	Nil
R.C. Mather		111,897	131,967
D.G.C. McDonnell		Nil	Nil
C. Morton		Nil	Nil
J.J. Mulligan		90,200	52,000
D.A.R. Owen		Nil	Nil
C.M. Pope		47,500	92,500
J.C. Quick		14,255	14,255
J.R. Rider		3,000	5,500
J.D. Seal		Nil	Nil
S.W.F. Sharp		Nil	Nil
R.J. Shaw		Nil	Nil
D.H. Sherlock		44,885	44,885

BWD RENSBURG LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

D. Stitgher	Nil	Nil
T.H. Street	2,000	5,085
D.A. Thomas	1,000	Nil
S.J. Trowbridge	1,481	1,481
G. Tym	32,000	32,000
E.A. Warren	50,354	50,354
N.C. Williams	See below	See below
J.P. Wragg (appointed 06/04/97)	6,000	3,000

B.A. Anysz, M.H. Burns, M.J. Dickinson and N.C. Williams are directors and shareholders of BWD Securities PLC and their interests are disclosed in the report of that company.

M.J. Dickinson holds 1 ordinary share jointly with BWD Securities PLC in a non-beneficial capacity.

The following people resigned as directors of the company during the year:

J.L. Carter	21st March	1997
D.R. Franklin	24th October	1997
E. Hayes	9th June	1997
P.A. Lyster	25th December	1996
R.J. Newstead	14th February	1997

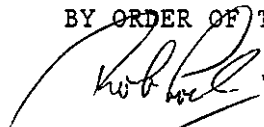
R.A. Allen, B.A. Anysz, I.W. Bakewell, G.B. Barlow, M.H. Burns, P. Burton, M.J.P. Cooke, J.G.T. Dyson, A.H. Goodchild, J.R.J. Greenhalgh, M.M. Grime, N.S. Lanceley, P. Mahony, S.W.F. Sharp, T.H. Street and S.J. Trowbridge retire by rotation and, being eligible, offer themselves for re-election.

I.C. MacDonald, N.P.R. Marsh and J.P. Wragg were appointed as directors during the year. As newly appointed directors, they retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD



Per Pro
Battye, Wimpenny & Dawson Ltd
Secretary

Quayside House,
Canal Wharf,
Leeds,
LS11 5PU.

18th February, 1998

BWD RENSBURG LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH NOVEMBER, 1997**

	Note	1997 £	1996 £
Turnover	1	15,890,552	14,096,230
Administrative expenses		(13,861,777)	(12,566,254)
Operating profit	2	2,028,775	1,529,976
Other interest receivable and similar income		737,612	653,989
Other income		95,625	110,541
Interest payable and similar charges	4	-	(2,455)
Profit on ordinary activities before taxation		2,862,012	2,292,051
Tax on profit on ordinary activities	5	(887,308)	(784,394)
Profit on ordinary activities after taxation		1,974,704	1,507,657
Dividend paid/proposed		(1,692,000)	(2,500,000)
Retained Profit/(Loss) for the year		282,704	(992,343)
Retained Profit brought forward		2,085,736	3,078,079
Retained Profit carried forward		2,368,440	2,085,736

There are no recognised gains or losses during the current or previous period other than the profit for the year.

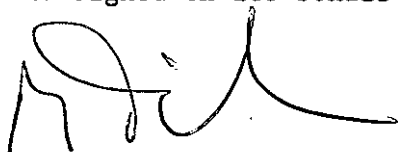
A statement of movements in shareholders' funds is given in note 14.
The notes on pages 6 to 12 form part of these financial statements.

BWD RENSBURG LIMITED

**BALANCE SHEET
AS AT 30TH NOVEMBER, 1997**

	Note	1997 £	£	1996 £	£
FIXED ASSETS					
Tangible assets	6		452,274		533,257
Investments	7		41,666		13,467
			<u>493,940</u>		<u>546,724</u>
CURRENT ASSETS					
Debtors	8	12,751,532		29,877,857	
Cash at bank and in hand		8,605,233		6,573,107	
		<u>21,356,765</u>		<u>36,450,964</u>	
CREDITORS:					
Amounts falling due within one year	9	16,977,295		32,288,766	
NET CURRENT ASSETS			<u>4,379,470</u>		<u>4,162,198</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,873,410		4,708,922
CREDITORS:					
Amounts falling due after more than one year:					
Loan	11		1,810,000		1,810,000
Provisions	12		302,970		421,186
			<u>2,760,440</u>		<u>2,477,736</u>
CAPITAL AND RESERVES					
Called up share capital	13		392,000		392,000
Profit and loss account			2,368,440		2,085,736
SHAREHOLDERS' FUNDS			<u>2,760,440</u>		<u>2,477,736</u>

The financial statements were approved by the Board on 18th February, 1998 and signed on its behalf by:



M. J. DICKINSON
Director

18th February, 1998

The notes on pages 6 to 12 form part of these financial statements.

BWD RENSBURG LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The following is a summary of the principal accounting policies:

(a) Accounting Convention

The financial statements are prepared under the historical cost convention and in accordance with approved accounting standards.

(b) Accounting Period

The financial statements reflect dealing, settlement and cash transactions up to the close of business on the 28th November 1997. The financial year comprises 52 weeks.

(c) Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, on a straight line basis of each asset over its expected useful life as follows:

Computer Equipment	25%
Fixtures and fittings	25%

(d) Deferred taxation

Deferred taxation is provided using the liability method on all timing differences to the extent that they are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable.

(e) Turnover

Turnover represents the amounts derived from the provision of goods and services which fall within the company's ordinary activities, and is stated net of Value Added Tax.

(f) Consolidation

In accordance with the exemption granted under Section 229(2) of the Companies Act 1985 consolidated accounts have not been prepared.

(g) Pensions

Contributions to occupational pension schemes are charged to the profit and loss account in the period to which they relate.

2. OPERATING PROFIT

	1997 £	1996 £
Arrived at after charging:		
Auditors' remuneration - as Auditors	40,000	40,550
Auditors' remuneration - other	5,828	-
Depreciation	362,575	355,315
Property rents	569,413	477,332
	<hr/>	<hr/>

BWD RENSBURG LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. STAFF COSTS

	1997	1996
	£	£
Wages and salaries	6,615,529	5,747,247
Social security costs	622,233	551,423
Pension contributions	254,816	209,361
	<u>7,492,578</u>	<u>6,508,031</u>

Directors' emoluments (excluding pension contributions) were £3,406,240 in the year (1996 - £3,168,169).

The emoluments of the highest paid director were £134,671 (1996 - £122,252) and company pension contributions of £7,458 (1996 - £7,831) were made to a money purchase scheme on his behalf.

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of Group companies in an independently administered fund. The pension contributions charge represents contributions payable by this company to the Group. There were no amounts payable to the fund at the end of the financial year.

Company contributions to money purchase pension schemes in respect of the directors were £111,919 in the year (1996 - £83,973).

	1997	1996
	No.	No.
The average number of employees during the year was made up as follows:		
Stockbroking and fund management	76	69
Administration	144	146
	---	---
	220	215
	---	---

4. INTEREST PAYABLE

	1997	1996
	£	£
Bank	-	2,455
	<u>-</u>	<u>2,455</u>

BWD RENSBURG LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1997 £	1996 £
Corporation tax based on the profit for the year at 31.67% (1996 - 33%)	964,639	784,394
(Over)/under provision in previous years	(77,331)	-
	<u>887,308</u>	<u>784,394</u>

6. TANGIBLE FIXED ASSETS

	Fixtures and Fittings £	Computer Equipment £	Total £
Cost:			
At 1st December 1996	577,075	1,618,024	2,195,099
Additions	97,966	183,626	281,592
Disposals	(164,793)	(408,835)	(573,628)
At 30th November 1997	<u>510,248</u>	<u>1,392,815</u>	<u>1,903,063</u>
Depreciation:			
At 1st December 1996	498,513	1,163,329	1,661,842
Charge for the year	48,405	314,170	362,575
Disposals	(164,793)	(408,835)	(573,628)
At 30th November 1997	<u>382,125</u>	<u>1,068,664</u>	<u>1,450,789</u>
Net book value:			
At 30th November 1997	<u>128,123</u>	<u>324,151</u>	<u>452,274</u>
At 30th November 1996	<u>78,562</u>	<u>454,695</u>	<u>533,257</u>

BWD RENSBURG LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****7. INVESTMENTS**

	1997 £	1996 £
Shares in group companies at valuation	4,103	4,103
Unlisted shares	37,563	9,364
	<u>41,666</u>	<u>13,467</u>

A summary of the subsidiary companies is shown below:

Name of Company	Country of Registration and Operation	Class of Capital	Proportion Held	Principal Activity
Rensburg Unit Trust Management Limited	England & Wales	Ordinary	100%	Unit Trust Advisory (non-trading)
Rensburg Client Nominees Limited	England & Wales	Ordinary	100%	Personal Equity Plan Administration (non-trading)
BWD Rensburg Nominees Limited	England & Wales	Ordinary	100%	Nominee Company (non-trading)
Scarwood Nominees Limited	England & Wales	Ordinary	100%	Nominee Company (non-trading)
BWD Rensburg P.E.P Nominees Limited	England & Wales	Ordinary	100%	Nominee Company (non-trading)

8. DEBTORS

	1997 £	1996 £
Trade debtors	11,522,483	29,518,268
Prepayments and accrued income	1,229,049	359,589
	<u>12,751,532</u>	<u>29,877,857</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. CREDITORS:

Amounts falling due within one year

	1997 £	1996 £
Trade creditors	60,113,958	56,885,894
Less monies held on behalf of clients	(48,605,459)	(27,364,757)
	<u>11,508,499</u>	<u>29,521,137</u>
Amounts owed to group undertakings	100	100
Proposed dividend	1,300,000	-
Corporation tax	962,235	859,671
Other taxes and social security costs	248,533	401,790
Accruals	2,957,928	1,506,068
	<u>16,977,295</u>	<u>32,288,766</u>

10. OBLIGATIONS UNDER LEASES

	1997 £	1996 £
Operating leases:		
Amount payable within one year	474,482	362,394
Over one year:		
In the second to fifth year inclusive	1,803,602	1,173,832
Over five years	2,414,086	1,040,181
	<u>4,692,170</u>	<u>2,576,407</u>

The amounts above represent future rentals on properties leased to the company.

11. LOAN

	1997 £	1996 £
Wholly repayable within five years	1,810,000	1,810,000

The loan wholly repayable within five years is from BWD Securities PLC and is subordinated to all creditors. This loan is not subject to an interest charge and is for a period of not less than two years.

BWD RENSBURG LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****12. PROVISION**

	1997 £	1996 £
At 1st December 1996	421,186	536,591
Movement in the year	(118,216)	(115,405)
At 30th November 1997	<u>302,970</u>	<u>421,186</u>

The movement for the year relates to payments made against lease provisions on two vacant properties.

13. SHARE CAPITAL

	1997		1996	
	No.	£	No.	£
Authorised:				
Ordinary shares of £1	1,000,000	1,000,000	1,000,000	1,000,000
	-----	-----	-----	-----
Allotted, called up and fully paid:				
Ordinary shares of £1	392,000	392,000	392,000	392,000
	-----	-----	-----	-----

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997 £	1996 £
Profit for the year	1,974,704	1,507,657
Dividends	(1,692,000)	(2,500,000)
Opening Shareholders' funds	<u>2,477,736</u>	<u>3,470,079</u>
Closing Shareholders' funds	<u>2,760,440</u>	<u>2,477,736</u>

15. CONTINGENT LIABILITIES

The company has contingent liabilities which cannot be quantified in respect of letters of indemnity (principally for certified stock transfers and share certificates) given in the ordinary course of business.

BWD RENSBURG LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. CAPITAL COMMITMENTS

	1997 £	1996 £
Contracted but not provided for	<u>NIL</u>	<u>12,982</u>

17. ULTIMATE HOLDING COMPANY

The ultimate holding company is BWD Securities PLC, which is registered in England & Wales.

**AUDITORS' REPORT TO THE MEMBERS OF
BWD RENSBURG LIMITED**

We have audited the financial statements on pages 4 to 12.

Respective responsibilities of directors and auditors

As described on page 1 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 company's affairs as at 30th November 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
LEEDS

18th February, 1998