

JULIUS A MELLER MANAGEMENT SERVICES LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1995



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FOR THE YEAR ENDED 31ST DECEMBER 1995

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JULIUS A MELLER MANAGEMENT SERVICES LIMITED

DIRECTORS' REPORT

The directors submit their report and the audited financial statements for the year ended 31st December 1995.

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

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

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. The directors 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.

Activity

The principal activity of the company which has remained unchanged during the financial year was the provision of management services.

Business review and future developments

The company has traded profitably during the year under review and is expected to continue to do so in 1996, providing a similar level of services.

Results and dividends

The profit for the year after taxation, amounted to £77,000 and is dealt with as on page 4.

The directors recommend a dividend of £77 per share.

JULIUS A MELLER MANAGEMENT SERVICES LIMITED

DIRECTORS' REPORT (continued)

Directors and their interests

The directors of the company during the year were as follows:

M J Meller
D R Meller
J N Curtis FCA

No director had any interest in the share capital of the company.

The interests of the directors in the shares of the parent company are disclosed in that company's directors' report.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing the reappointment of Casson Beckman, chartered accountants, as auditors to the company will be put to the annual general meeting.

BY ORDER OF THE BOARD



J N Curtis FCA

Secretary

10th May 1996

Registered Office:

Meller House
42-43 Chagford Street
London NW1 6EB.

JULIUS A MELLER MANAGEMENT SERVICES LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF JULIUS A MELLER MANAGEMENT SERVICES LIMITED

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

Respective responsibilities of directors and auditors

As described in the directors' report, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial 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, are consistently applied and are 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 as at 31st December 1995 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



CASSON BECKMAN

Chartered Accountants
and Registered Auditors

Hobson House
155 Gower Street
London WC1E 6BJ

10th May 1996

JULIUS A MELLER MANAGEMENT SERVICES LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31ST DECEMBER 1995**

	Notes	1995 £'000	1994 £'000
Turnover	2	2,044	1,811
Administrative expenses		(1,955)	(1,766)
		—	—
Operating profit		89	45
Interest receivable		1	-
		—	—
Profit on ordinary activities before taxation		90	45
Tax on profit on ordinary activities	4	(13)	(12)
		—	—
Profit on ordinary activities after taxation		77	33
Dividends	5	(77)	(100)
		—	—
		-	(67)
Retained profit brought forward		30	97
		—	—
Retained profit carried forward		30	30
		==	==

There are no recognised gains or losses other than the profit for the financial year.

Turnover and operating profit all derive from continuing operations.

JULIUS A MELLER MANAGEMENT SERVICES LIMITED

BALANCE SHEET

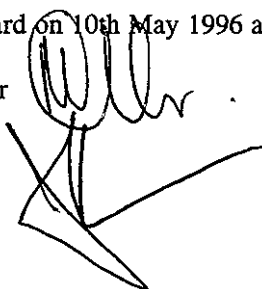
AT 31ST DECEMBER 1995

	Notes	1995 £'000	1994 £'000
Current assets			
Debtors	6	582	194
Cash at bank and in hand		44	3
		<hr/>	<hr/>
		626	197
Creditors: Amounts falling due within one year	7	(595)	(166)
		<hr/>	<hr/>
Total assets less current liabilities		31	31
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	8	1	1
Profit and loss account	9	30	30
		<hr/>	<hr/>
		31	31
		<hr/>	<hr/>

Approved by the Board on 10th May 1996 and signed on its behalf by

M J Meller - Director

J N Curtis - Director



JULIUS A MELLER MANAGEMENT SERVICES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1995

1. Accounting policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

Basis of accounting

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

Turnover

Turnover represents amounts invoiced by the company in respect of services rendered during the year stated net of value added tax.

Pensions

The company operates a defined contribution scheme covering the majority of its permanent employees. Pension costs charged against profits, represent the amounts payable to the scheme in respect of the year.

2. Turnover and company profit

The turnover of the company during the year was made in the same geographical area.

The turnover and profit of the company for the year derive from the same class of business as noted in the directors' report.

3. Employees and directors

	1995	1994
	£'000	£'000
Staff costs including executive directors during the year amounted to:-		
Wages and salaries	1,593	1,474
Social security costs	165	96
Other pension costs	192	184
	1,950	1,754
	=====	=====
The average weekly number of employees during the year was:-	No.	No.
Office and management	8	8
	==	==
Directors' emoluments:	£'000	£'000
Salaries and benefits	1,505	1,368
Pension contributions	191	180
	1,696	1,548
	=====	=====

JULIUS A MELLER MANAGEMENT SERVICES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1995

3. Employees and directors (continued)

Included above is remuneration paid to the chairman of £594,000 (1994 - £460,000). In 1995 the chairman was also the highest paid director. In 1994 the highest paid director received remuneration of £518,000.

The number of other directors who received remuneration in the following ranges were:

		1995	1994
		No.	No.
£'000	£'000		
390	- 395	-	1
440	- 455	1	-
465	- 470	1	-

4. Taxation

The taxation charge which is based on the results of the year is made up as follows:-

	1995	1994
	£'000	£'000
Current year Corporation tax	13	12

United Kingdom corporation tax has been computed at 25 % (1994 - 25 %).

5. Dividends

	1995	1994
	£'000	£'000
Proposed dividend	77	100

6. Debtors

	1995	1994
	£'000	£'000
Amounts falling due within one year:		
Amounts owed by parent and fellow subsidiary undertakings	582	194

JULIUS A MELLER MANAGEMENT SERVICES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1995

7. Creditors: Amounts falling due within one year	1995 £'000	1994 £'000
Amounts owed to parent and fellow subsidiary undertakings	285	-
Dividends payable	77	100
Corporation tax	13	12
Other taxation and social security costs	51	-
Accruals and deferred income	169	54
	<u>595</u>	<u>166</u>

8. Share capital	1995 £'000	1994 £'000
Authorised: 1,000 ordinary shares of £1 each	1	1
	<u>1</u>	<u>1</u>
Allotted, issued and fully paid: 1,000 ordinary shares of £1 each	1	1
	<u>1</u>	<u>1</u>

9. Reserves and reconciliation of movements in shareholders' funds

	Share Capital £'000	Profit and loss account £'000	Total shareholders' funds £'000
Opening shareholders' funds	1	30	31
Profit for the financial year	-	77	77
Dividends	-	(77)	(77)
	<u>1</u>	<u>30</u>	<u>31</u>
Closing shareholders' funds	1	30	31

10. Contingent liabilities

The company has guaranteed the borrowings of its parent company and fellow subsidiaries as part of group banking arrangements. The borrowings are secured by a fixed and floating charge over the assets of the companies involved. At 31st December 1995 the contingent liability in respect of this guarantee was £1,436,000 (1994 - £1,047,000).

The company is included in a group registration for VAT purposes with its parent company and fellow subsidiaries. All members of the VAT group are jointly and severally liable for the total amount of VAT due, and at 31st December 1995 the contingent liability in respect of this group registration was £1,170,000 (1994: £1,180,000).

JULIUS A MELLER MANAGEMENT SERVICES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1995

11. Ultimate parent company

The company's ultimate parent company is Julius A Meller Holdings Plc incorporated in Great Britain and registered in England. Copies of the group financial statement of Julius A Meller Holdings Plc are available from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

12. Approval of financial statements

These financial statements were formally approved by the board of directors on 10th May 1996.