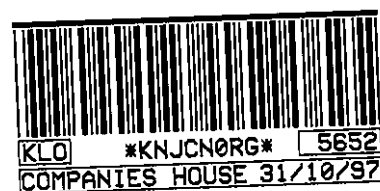


**MORRIS (SP) HOLDINGS LIMITED**

Registered No: 2873613

**MORRIS (SP) HOLDINGS LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**PERIOD ENDED 30 SEPTEMBER 1996**



# **MORRIS (SP) HOLDINGS LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISORS**

### **Directors**

S P Ball  
A J White

### **Secretary**

P L Longcroft

### **Registered Office**

20 Fenchurch Street  
London  
EC3P 3DB

### **Bankers**

Kleinwort Benson Limited

## **MORRIS (SP) HOLDINGS LIMITED**

### **REPORT OF THE DIRECTORS**

The directors present their annual report and the audited financial statements for the period ended 30 September 1996.

### **PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

The principal activity of the company is a general commercial company. During the year the business developed satisfactorily and the directors expect this to continue subject to any unforeseen circumstances. Since the end of the period the company's shareholdings in its principal subsidiary have been redeemed for cash, which has been placed on loan to Kleinwort Benson Investment Trust Limited.

### **RESULTS AND DIVIDENDS**

Interim dividends of £2,670,000 were paid on 20 June, 1996. The directors do not recommend the payment of a final dividend.

### **DIRECTORS AND DIRECTORS' INTERESTS**

The directors who held office during the year were:-

S P Ball	(appointed 4 March 1996)
A J White	(appointed 4 March 1996)

R C H Jeens	(resigned 4 March 1996)
B W J Manning	(resigned 31 March 1996)

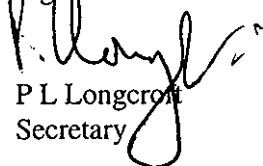
S P Ball had an interest in 123,916 Dresdner Investment (UK) plc Loan Notes of £1 on 4 March 1996, and at the end of the period he had an interest in 74,916 Loan Notes. A J White had an interest in 9,881 Dresdner Investment (UK) plc Loan Notes of £1 on 4 March 1996, and at the end of the period his interest was nil.

Neither of the directors had any other disclosable interest in the shares or debentures of the company or of any group company except as disclosed above. The directors are exempt from disclosing their interests in the shares or debentures of the ultimate parent company, Dresdner Bank AG, as it is incorporated outside the UK.

### **AUDITORS**

Deloitte & Touche will resign their office as auditors of the company following the approval of the report and accounts for the year ended 31 December, 1995. At this time Coopers & Lybrand will be appointed auditors in their place and a resolution for their reappointment will then be proposed at the 1997 Annual General Meeting.

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

  
P L Longcroft  
Secretary

9 October 1997

## **MORRIS (SP) HOLDINGS LIMITED**

### **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;
- prepare the financial statements on a 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.

# MORRIS (SP) HOLDINGS LIMITED

## AUDITORS' REPORT TO THE MEMBERS

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

### **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.

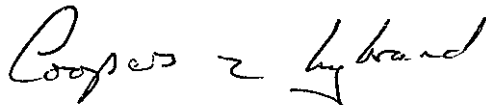
### **Basis of opinion**

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 mis-statement, 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 the company's affairs as at 30 September 1996 and of its profit for the period then ended, and have been properly prepared in accordance with the Companies Act 1985.



Coopers & Lybrand  
Chartered Accountants and  
Registered Auditors

Embankment Place  
London WC2N 6NN

3/  
October 1997

# MORRIS (SP) HOLDINGS LIMITED

## PROFIT AND LOSS ACCOUNT

	Note	Period ended 30 September 1996 £	Year ended 31 December 1995 £
Income from shares in group undertakings		4,020,000	5,199,082
Interest payable to parent undertaking		(52,696)	(92,523)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,967,304	5,106,559
Taxation	2	(244,032)	(30,865)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	7	3,723,272	5,075,694
Dividends paid	7	(2,670,000)	(5,199,082)
		<hr/>	<hr/>
Retained Profit/(loss) for the period		1,053,272	(123,388)
		<hr/>	<hr/>

There are no recognised gains or losses for the year other than the profit/(loss) on ordinary activities after taxation disclosed above. Accordingly no statement of total recognised gains and losses is given.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the period stated above and their historical cost equivalents.

A statement showing the movement in the profit and loss account reserve is set out in Note 7 on page 8.

The Notes on pages 6 to 9 form an integral part of these accounts.

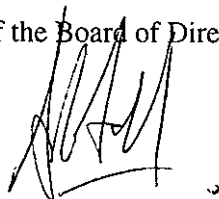
# MORRIS (SP) HOLDINGS LIMITED

## BALANCE SHEET As at 30 September 1996

	Note	As at 30 September 1996	As at 31 December 1995
		£	£
<b>FIXED ASSETS</b>			
<b>Investments</b>			
Shares in group undertakings	3	98,120,539	100,412,283
		<hr/>	<hr/>
		98,120,539	100,412,283
<b>Debtors:</b> amounts falling due after more than one year	4	807,196	1,051,228
<b>Debtors:</b> amounts falling due within one year	4	9,328,659	5,686,915
<b>Creditors:</b> amounts falling due within one year	5	(145,217)	(92,521)
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		9,990,638	6,645,622
		<hr/>	<hr/>
<b>Creditors:</b> amounts falling due after more than one year	5	(1,114,206)	(1,114,206)
		<hr/>	<hr/>
		106,996,971	105,943,699
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	6	10,000	10,000
Share premium	7	106,089,200	106,089,200
Profit and loss account	7	897,771	(155,501)
		<hr/>	<hr/>
<b>EQUITY SHAREHOLDERS' FUNDS</b>		106,996,971	105,943,699
		<hr/>	<hr/>

These financial statements were approved by the Board of Directors on 9 October 1997.

Signed on behalf of the Board of Directors



S P Ball

The notes on pages 6 to 9 form an integral part of these accounts.

# MORRIS (SP) HOLDINGS LIMITED

## NOTES TO THE ACCOUNTS

### 1. ACCOUNTING POLICIES

#### a) Basis of preparation

These financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention. The particular accounting policies adopted are described below.

In accordance with Section 228(1) of the Companies Act 1985, group accounts have not been prepared as the Company is itself a wholly owned subsidiary of Dresdner Bank AG incorporated in Germany.

#### b) Cash flow statement

These financial statements do not include a cash flow statement as required by Financial Reporting Standard No.1 as a consolidated cash flow statement is prepared by Kleinwort Benson Group plc, the parent company as at 31 December 1996

#### c) Investments

Investments in subsidiary companies are carried in the balance sheet at cost less provision for any permanent diminution in value.

#### d) Taxation

Full provision is made in the profit and loss account for current taxation.

#### e) Disclosure of related party transactions

Morris SP (Holdings) Ltd is a wholly owned subsidiary of KB Investment Trust Ltd. The ultimate parent undertaking is Dresdner Bank AG. The company has taken advantage of the exemptions available in Financial Reporting Standard No.8 for disclosure of transactions with entities that are part of the group or investees of group entities as related parties.

	Period ended 30 September 1996 £	Year ended 31 December 1995 £
<b>2. TAX ON PROFIT ON ORDINARY ACTIVITIES</b>		
Corporation tax payable at 33%	(244,032)	(30,865)

The effective tax rate was less than 33% due to double tax relief received.

	As at 30 September 1996 £	As at 31 December 1995 £
<b>3. INVESTMENTS</b>		
Shares in group undertakings:		
As at start of period	100,412,281	103,467,940
Redemption in preference share capital during the period	(2,291,742)	(3,055,657)
As at end of period	98,120,539	100,412,283



# MORRIS (SP) HOLDINGS LIMITED

## NOTES TO THE ACCOUNTS

The company's subsidiary undertakings are:

Company	Country of Incorporation	£1 Ordinary Shares	£1 Redeemable Preference Shares	1p Redeemable Preference Shares	Principal Activity
Austin Limited	Guernsey	10,000	9,248	-	Investment Company
Minico Limited	Guernsey	2	-	4,738	Investment Company

Morris (SP) Holdings Limited holds all of the Redeemable Preference Shares in Austin Limited, which carry 75% of the voting rights. KB Jersey Limited holds the Ordinary Shares which carry 25% of the voting rights.

The investment in Minico Limited is held by Austin Limited. This holding represents 100% of the ordinary share capital.

In the opinion of the directors the aggregate value of the shares in the company's subsidiaries is not less than the total amount at which they are held in the balance sheet. Since the end of the period the company's shares in Austin Limited have been redeemed for cash.

In accordance with Section 228(1) of the Companies Act 1985 group accounts have not been prepared as the company is itself a wholly owned subsidiary of Kleinwort Benson Investment Trust Limited incorporated in Great Britain and registered in England and Wales. The company's subsidiaries are consolidated in the accounts of Kleinwort Benson Group plc, an intermediate parent company.

	As at 30 September 1996 £	As at 31 December 1995 £
<b>4. DEBTORS:</b> amounts falling due after more than one year		
Advance Corporation Tax	807,196	1,051,228
	<hr/>	<hr/>
<b>DEBTORS:</b> amounts falling due within one year		
Amounts due from parent undertaking and fellow subsidiary undertakings	9,328,659	5,686,915
	<hr/>	<hr/>

# MORRIS (SP) HOLDINGS LIMITED

## NOTES TO THE ACCOUNTS

	As at 30 September 1996 £	As at 31 December 1995 £
<b>5. CREDITORS: amounts falling due within one year</b>		
Amounts owed to parent undertaking and fellow subsidiary undertakings	125,385	89,423
Other creditors	19,832	3,098
	<hr/>	<hr/>
	145,217	92,521
	<hr/>	<hr/>

### CREDITORS: amounts falling due after more than one year

Amounts owed to parent undertaking	1,114,206	1,114,206
	<hr/>	<hr/>

	As at 30 September 1996 £	As at 31 December 1995 £
<b>6. CALLED UP SHARE CAPITAL</b>		
Authorised, allotted and fully paid up ordinary shares of £1 each	10,000	10,000
	<hr/>	<hr/>
<b>7. COMBINED RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS AND STATEMENTS OF MOVEMENTS ON RESERVES</b>		

	Issued Share Capital £	Share Premium Account £	Profit and Loss Account £	Period Ended 30 September 1996 £	Year ended 31 December 1995 £
At start of period	10,000	106,089,200	(155,501)	105,943,699	106,067,087
Profit attributable to shareholders	-	-	3,723,272	3,723,272	5,075,694
Dividend paid	-	-	(2,670,000)	(2,670,000)	(5,199,082)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of period	10,000	106,089,200	897,771	106,996,971	105,943,699
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

### 8. ADMINISTRATIVE EXPENSES

Costs of administration are borne by the intermediate parent undertaking, Kleinwort Benson Limited. These include the remuneration of the auditors. None of the directors received any emoluments for services to the company. The company had no employees during the year.

## **MORRIS (SP) HOLDINGS LIMITED**

### **NOTES TO THE ACCOUNTS**

#### **9. ULTIMATE PARENT UNDERTAKING**

The ultimate parent undertaking at the end of the year is Dresdner Bank AG, a company incorporated in Germany. For consolidation purposes, Kleinwort Benson Group plc, a company incorporated in Great Britain and registered in England and Wales, is 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, for the year ended 31 December 1995, are filed at the Companies Registration Office, Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.