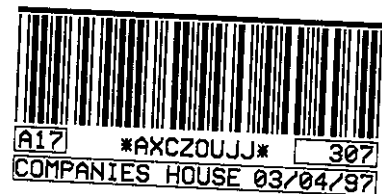


Company Registration Number: 2924548

**BECKWITH ASSET MANAGEMENT LIMITED**

**Directors' Report and Accounts**  
for the year ended  
30 June 1996



## **BECKWITH ASSET MANAGEMENT LIMITED**

### **DIRECTORS' REPORT**

The directors have pleasure in submitting their report and the audited accounts for the year ended 30 June 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 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) state whether applicable accounting standards have been followed;
- d) prepare 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.

#### **Review of the Business**

As at 30 June 1995 the Company held a 49.9% interest in River & Mercantile Investment Management Limited (RAMIM) which is the manager of a range of newly launched unit trust products. On 5 February 1996, the Company acquired a further 45.1% of the ordinary share capital of RAMIM bringing its total interest to 95%.

In the opinion of the directors the financial position of the Company at the Balance Sheet date was satisfactory.

#### **Results and Dividend**

The results for the year are detailed on page 4. The Company achieved a profit on ordinary activities before taxation of £7,061 (1995 loss - £(1,881)).

The directors do not recommend the payment of a dividend for the year. The retained profit for the period is £4,731 (1995 retained loss- £(1,881)) which has been transferred to reserves, giving a retained profit carried forward of £2,850 (1995 loss -£(1,881)).

#### **Share Capital**

The movements in Share Capital during the year are set out in Note 8.

## BECKWITH ASSET MANAGEMENT LIMITED

### DIRECTOR'S REPORT (continued)

#### Directors and their interests

The directors holding office during the year were as follows:

	<i>Date of Appointment</i>	<i>Date of Resignation</i>
J L Beckwith	24 August 1994	
C I C Munro	24 August 1994	

J L Beckwith does not have any interests in the share capital of the Company other than by virtue of his interests in its ultimate holding company, Pacific Investments Limited, which are disclosed in the accounts of that company. As at 30 June 1995 and 30 June 1996, C I C Munro held 9,000 "B" ordinary shares of 1p and one preference share of 1p.

#### Auditors

A resolution to re-appoint Price Waterhouse as auditors to the Company will be proposed at the forthcoming Annual General Meeting.

By Order of the Board



S A Barker

195 Knightsbridge  
London  
SW7 1RE

26 March 1997

## **AUDITOR'S REPORT TO THE SHAREHOLDERS**

**OF**

### **BECKWITH ASSET MANAGEMENT LIMITED**

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

#### **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 an 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 the Company's affairs as at 30 June 1996 and of the profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Price Waterhouse*

Price Waterhouse  
Chartered Accountants  
and Registered Auditors  
Southwark Towers  
32 London Bridge Street  
London  
SE1 9SY

26 March 1997

## BECKWITH ASSET MANAGEMENT LIMITED

### Profit and Loss Account for the year ended 30 June 1996

	Note	1996 £	1995 £
Administrative expenses		(2,326)	(2,205)
Operating loss	3	<u>(2,326)</u>	<u>(2,205)</u>
Interest receivable		9,387	324
Profit/(Loss) on ordinary activities before taxation		<u>7,061</u>	<u>(1,881)</u>
Taxation	4	(2,330)	-
Profit/(Loss) on ordinary activities after taxation	10	<u><u>4,731</u></u>	<u><u>(1,881)</u></u>

An analysis of reserves is given in Note 10.

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

The operating loss derives wholly from continuing operations.

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

The notes on pages 7 to 11 form an integral part of these accounts.

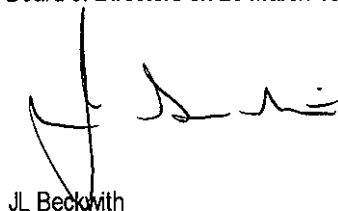
# BECKWITH ASSET MANAGEMENT LIMITED

## Balance Sheet

as at 30 June 1996

	Note	1996 £	1995
<b>FIXED ASSETS</b>			
Investments	4	4,414,058	4,414,057
<b>CURRENT ASSETS</b>			
Debtors	5	217	3,321
Cash		18,847	7,982
		<u>19,064</u>	<u>11,303</u>
<b>CREDITORS</b> (amounts due within one year)	6	(3,831)	(800)
<b>NET CURRENT ASSETS</b>		<u>15,233</u>	<u>10,503</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		4,429,291	4,424,560
<b>CREDITORS</b> (amounts due after more than one year)	7	(4,326,441)	(4,326,441)
<b>NET ASSETS</b>		<u>102,850</u>	<u>98,119</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	1,000	1,000
Share premium	9	99,000	99,000
Profit and loss account	10	2,850	(1,881)
Shareholders' funds including non-equity interests	11	<u>102,850</u>	<u>98,119</u>
Non-equity interest - 1 preference share of 1p		-	-
Equity interests		102,850	98,119
		<u>102,850</u>	<u>98,119</u>

The accounts were approved by the  
Board of Directors on 26 March 1997



J.L. Beckwith

The notes on pages 7 to 11 form an integral part of these accounts.

# BECKWITH ASSET MANAGEMENT LIMITED

## Cash Flow Statement

for the period ended 30 June 1996

	Note	1996 £	1995 £
<b>Net cash inflow/(outflow) from operating activities</b>	12.1	1,479	(4,726)
<b>Returns on investments and servicing of finance</b>			
Interest received		9,387	324
<b>Investing activities</b>			
Purchase of shares in subsidiary/associate		(1)	(4,414,057)
<b>Net cash inflow/(outflow) before financing</b>		<u>10,865</u>	<u>(4,418,459)</u>
<b>Financing</b>			
Issue of share capital		-	(100,000)
Proceeds of other loans		-	(4,326,441)
		<u>-</u>	<u>(4,426,441)</u>
<b>Increase in cash and cash equivalents</b>	12.2	10,865	7,982
		<u>10,865</u>	<u>(4,418,459)</u>

The notes on pages 7 to 11 form an integral part of these accounts.

## BECKWITH ASSET MANAGEMENT LIMITED

### Notes to the Accounts

for the period ended 30 June 1996

#### 1. Accounting Policies

Basis of accounting - The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Investments - Investments are stated at cost less provision for any permanent diminution in value.

Group Accounts - The Company is exempt from the requirement to prepare group accounts as it is a parent company included in the accounts of a larger group.

#### 2. Comparative Figures

Comparative figures relate to the period from incorporation on 29 April 1994 to 30 June 1995.

#### 3. Operating Loss

The operating loss is stated after charging:

	1996 £	1995 £
Auditor's remuneration		
Audit fee	500	500
Other non audit fees	1,700	300

None of the directors received any emoluments from the Company during the period. The Company did not have any employees during the period. The affairs of the Company have been managed by the ultimate holding company, Pacific Investments Limited for which no management fee has been charged.

CIC Munro received emoluments as a director of River & Mercantile Investment Management Limited.

#### 4. Taxation

The taxation charge is analysed as follows:

	1996 £	1995 £
Corporation tax at 33%	<u>2,330</u>	<u>-</u>

#### 5. Investments

Investments comprise unlisted ordinary shares in the Company's associated undertaking at cost. On 5 February 1996, the Company acquired a further 45.1% interest in River & Mercantile Investment Management Limited (RAMIM) for £1 bringing its total stake to 95 %. RAMIM is the manager of a range of investment trusts and newly launched unit trust products.

Dividends from associated undertakings are accounted for when received.



# BECKWITH ASSET MANAGEMENT LIMITED

## Notes to the Accounts

for the period ended 30 June 1996

(continued)

### 6. Debtors

	1996 £	1995 £
Other debtors	-	3,321
Amounts owed by parent undertaking	217	-
	<u>217</u>	<u>3,321</u>

### 6. Creditors (amounts due within one year)

	1996 £	1995 £
Other creditors	1	-
Accruals and deferred income	1,500	800
Corporation tax	2,330	-
	<u>3,831</u>	<u>800</u>

### 7. Creditors (amounts due after more than one year)

	1996 £	1995 £
Other unsecured loans	4,326,441	4,326,441
	<u>4,326,441</u>	<u>4,326,441</u>

On 26 August 1994 the Company entered into an instrument under which up to £5,000,000 nominal of loan notes were issuable at par. The loan notes are redeemable on 26 August 2000 and are interest free. Other unsecured loans represents the balance of notes issued under this facility. The notes have been issued to the shareholders and to a director of the Company.

### 8. Called up Share Capital

As at 30 June 1996 and 1995 the authorised and issued share capital of the Company comprised:

	Authorised Number	£	Issued Number	£
"A" ordinary 1p	91,000	910	91,000	910
"B" ordinary 1p	9,000	90	9,000	90
Preference 1p	1	-	1	-
	<u>100,001</u>	<u>1,000</u>	<u>100,001</u>	<u>1,000</u>

## BECKWITH ASSET MANAGEMENT LIMITED

### Notes to the Accounts

for the period ended 30 June 1996

(continued)

#### 8. Called up Share Capital (continued)

The "A" ordinary shares and the "B" ordinary shares carry the right to participate in any distribution pro-rata to the number of shares held until a return of 20% has been achieved. Distributions above this level are allocated as to 16% to the holder of the preference share, 75% to the holders of the "A" ordinary shares and 9% to the holders of the "B" ordinary shares. Any distribution of assets is to be allocated on the same basis. The Preference share does not entitle its holder to receive notice of or to exercise any vote at any general meeting of the Company. Further details of the rights attaching to the shares are set out in the Articles of Association of the Company.

#### 9. Share Premium

£

Balance as at 30 June 1996 and 1995

99,000

#### 10. Profit and Loss Account

The profit and loss account is analysed as follows:

£

Balance as at 1 July 1995

(1,881)

Retained profit for the period

4,731

Balance as at 30 June 1996

2,850

#### 11. Reconciliation of Movement in Shareholders' Funds

£

Profit for the financial period

4,731

Net addition to shareholders' funds

4,731

Opening shareholders' funds

98,119

Shareholders' funds as at 30 June 1996

102,850

# BECKWITH ASSET MANAGEMENT LIMITED

## Notes to the Accounts

for the period ended 30 June 1996

(continued)

### 12. Cash Flow Statement

#### 12.1 Reconciliation of operating loss to net cash inflow/(outflow) from operating activities

The reconciliation of operating loss to net cash inflow/(outflow) from operating activities is as follows:

	1996 £	1995 £
Operating loss	(2,326)	(2,205)
Decrease/(increase) in debtors	3,104	(3,321)
Increase in creditors	701	800
	<u>1,479</u>	<u>(4,726)</u>

#### 12.2 Analysis of changes in cash and cash equivalents during the period

The analysis of changes in cash and cash equivalents during the period is as follows:

	£
Balance as at 1 July 1995	7,982
Net cash inflow	10,865
Balance as at 30 June 1996	<u>18,847</u>

#### 12.3 Analysis of the balance of cash and cash equivalents

The analysis of the balance of cash and cash equivalents is as follows:

	£
Cash at bank and in hand	<u>18,847</u>

#### 12.4 Analysis of changes in financing during the year

	Share capital £	Other loans £
Balance as at 1 July 1995	100,000	4,326,441
Cash inflow from financing	-	-
Balance as at 30 June 1996	<u>100,000</u>	<u>4,326,441</u>

## **BECKWITH ASSET MANAGEMENT LIMITED**

### **Notes to the Accounts**

**for the period ended 30 June 1996**

(continued)

#### **13. Holding Company**

The Company's holding company is River & Mercantile PLC, a company registered in England and Wales. The Company's ultimate holding company is Pacific Investments Limited, a company registered in England and Wales, which is the smallest and largest group of which the Company is a member and for which group accounts are prepared. The consolidated accounts of that company can be obtained from the secretary at 195 Knightsbridge, London, SW7 1RE.