

ELECTRA FLEMING GP (UNQUOTED UK) LIMITED

REPORT AND ACCOUNTS

**FOR THE YEAR ENDED
30TH SEPTEMBER 1997**



**REGISTERED NUMBER
3053568**

ELECTRA FLEMING GP (UNQUOTED UK) LIMITED

Board of Directors

Hugh Anthony Lewis Holland Mumford (*Chairman*)
Philip John Dyke
Robert John Lewis
Julian David Knott (Alternate Director for H A L H Mumford)
Stephen Daryl Ozin (Alternate Director for R J Lewis)

Secretary and Registered Office

Philip John Dyke
65 Kingsway
London
WC2B 6QT

ELECTRA FLEMING GP (UNQUOTED UK) LIMITED

Report of the Directors

The Directors present their Report and the Accounts of the Company for the year ended 30th September 1997.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The Company is the General Partner of a Limited Partnership which invests in unquoted securities. The Company has traded at a profit and is expected to continue to trade profitably.

RESULTS AND DIVIDENDS

The profit attributable to shareholders for the period amounted to £1,320,430. Interim dividends paid amounted to £1,307,082. The Directors do not recommend the payment of a final dividend. The balance of £13,348 was transferred to reserves.

DIRECTORS

Mr P J Dyke, Mr R J Lewis and Mr H A L H Mumford were Directors throughout the year ended 30th September 1997. Similarly, Mr S D Ozin and Mr J D Knott were Alternate Directors for Mr R J Lewis and Mr H A L H Mumford respectively throughout the year ended 30th September 1997. No other person was a Director during any part of the year under review.

DIRECTORS' INTERESTS

At 30th September 1997 no Director had any notifiable interests in the securities of the Company or any other group companies.

ELECTIVE RESOLUTIONS

On 20th May 1997, elective resolutions were duly passed whereby the Company is no longer required to hold Annual General Meetings, with the result that Coopers & Lybrand will continue as Auditors, and the Directors are no longer required to lay Accounts before the Company in general meeting.



By Order of the Board of Directors
P J Dyke, Secretary
65 Kingsway
London WC2B 6QT

15th December 1997

ELECTRA FLEMING GP (UNQUOTED UK) LIMITED

Directors' Responsibilities for Preparing the Accounts

The Directors are required by UK company law to prepare Accounts 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 its profit or loss and total recognised gains or losses for that period.

The Directors confirm that suitable accounting policies have been adopted and applied consistently, and reasonable and prudent judgements and estimates have been made in the preparation of the Accounts for the period ended 30th September 1997. The Directors also confirm that applicable Accounting Standards have been followed and that the Accounts have been prepared on the going concern basis.

The Directors are responsible for keeping proper accounting records, for safeguarding the assets of the Company and for taking reasonable steps to prevent and detect fraud and other irregularities.

ELECTRA FLEMING GP (UNQUOTED UK) LIMITED

Report of the Auditors to the Members of Electra Fleming GP (Unquoted UK) Limited

We have audited the Accounts on pages 5 to 9.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 3 the Company's Directors are responsible for the preparation of the Accounts. It is our responsibility to form an independent opinion, based on our audit, on those Accounts and to report our opinion to you.

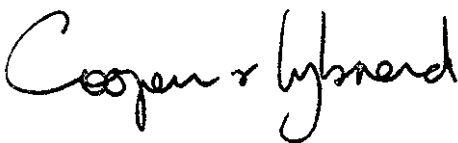
BASIS OF OPINION

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 Accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the Accounts, 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 Accounts 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 Accounts.

OPINION

In our opinion the Accounts give a true and fair view of the state of affairs of the Company at 30th September 1997 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
London

15th Decemeber 1997

ELECTRA FLEMING GP (UNQUOTED UK) LIMITED

Profit and Loss Account

		Period ended 30th September 1997 £	Period ended 30th September 1996 £
	Note		
Partnership income - UK		7,179,926	5,726,888
Other income		671,903	621,006
Operating expenses	2	6,281,463	5,078,315
Profit on Ordinary Activities before Taxation		1,570,366	1,269,579
Taxation	4	249,936	381,435
Profit on Ordinary Activities after Taxation		1,320,430	888,144
Dividends	5	1,307,082	230,931
Retained Profit for the period		13,348	657,213
Retained Profits brought forward		657,213	-
Retained Profits carried forward		670,561	657,213

All results and comparatives shown in the profit and loss account above are from continuing operations.

The Company has no recognised gains and losses other than those included in the profit and loss account as shown above and, therefore, no separate statement of total recognised gains and losses has been presented.

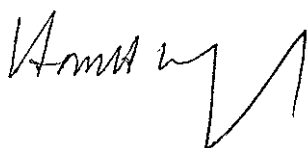
There is no difference between the results shown above and the results on an unmodified historical cost basis, therefore, no separate note of historical cost profits or losses has been presented.

ELECTRA FLEMING GP (UNQUOTED UK) LIMITED

Balance Sheet

		30th September 1997	30th September 1996
	Note	£	£
Fixed Assets			
Investments	6	10,000	10,000
Current Assets			
Debtors	7	15,372,176	6,515,187
Creditors			
Amounts falling due within one year	8	14,711,613	5,544,270
Net Current Assets		660,563	970,917
Total Assets less Current Liabilities		670,563	980,917
Creditors			
Amounts falling due after more than one year	8	-	323,702
Net Assets		670,563	657,215
Capital and Reserves			
Called-up share capital	9	2	2
Profit and loss account		670,561	657,213
Total Equity Shareholders' Funds	10	670,563	657,215

The Accounts on pages 5 to 8 were approved by the Board of Directors on 15th December 1997 and were signed on its behalf by:-



H A L H Mumford *Director*

ELECTRA FLEMING GP (UNQUOTED UK) LIMITED

Notes to the Accounts

1. ACCOUNTING POLICIES

The Accounts have been prepared in accordance with applicable Accounting Standards in the United Kingdom. The more significant accounting policies are listed below.

- (a) The Accounts have been prepared under the historical cost convention.
- (b) Income is profits from interests in Limited Partnerships and is accounted for on a receipts basis.
- (c) Investments in Limited Partnership Funds where the Company acts as the general partner to those funds are accounted for on an equity method basis.
- (d) Provision is made for deferred taxation using the liability method on all material timing differences to the extent that it is probable that a liability or asset will crystallise.
- (e) The Company is a wholly owned subsidiary of an EU company which publishes consolidated accounts that include a consolidated cash flow statement and therefore is not required to produce a cash flow statement.

	Period ended 30th September 1997 £	Period ended 30th September 1996 £
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2. OPERATING EXPENSES

Fees to group undertakings	6,281,463	5,078,315
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The audit fees for the period have been borne by another group company.

3. DIRECTORS AND EMPLOYEES

No remuneration was paid to the Directors during the period ended 30th September 1996. There were no employees of the Company.

	Period ended 30th September 1997 £	Period ended 30th September 1996 £
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4. TAXATION

UK Corporation tax @ 33%

Current year	167,500	-
Deferred	(323,702)	323,702
Tax credits on franked investment income	406,138	57,733
	249,936	381,435

5. DIVIDENDS

Interim of £769,006 per share (1996: £115,465.50)	1,307,082	230,931
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ELECTRA FLEMING GP (UNQUOTED UK) LIMITED

Notes to the Accounts (*Continued*)

	30th September 1997 £	30th September 1996 £
6. FIXED ASSET INVESTMENTS		
Electra Fleming Private Equity Partners	10,000	10,000
7. DEBTORS		
Amounts due from Group undertakings	14,190,222	6,338,394
Taxation recoverable	1,181,954	176,793
	15,372,176	6,515,187
8. CREDITORS		
Amounts falling due within one year:-		
Amounts due to Group undertakings	14,711,613	5,544,270
Amounts falling due after more than one year:		
Deferred taxation (see Note 11)	-	323,702
9. SHARE CAPITAL		
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
Allotted, called-up and fully paid		
2 ordinary shares of £1 each	2	2
10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS		
Profit for the period	1,320,430	888,144
Dividends	1,307,082	230,931
	13,348	657,213
Opening equity shareholders' funds on incorporation	657,215	2
Closing equity shareholders' funds	670,563	657,215
11. PROVISION FOR LIABILITIES AND CHARGES		
		Deferred taxation £
Profit and Loss Account (see Note 4)	-	323,702
At 30th September 1996	-	323,702

ELECTRA FLEMING GP (UNQUOTED UK) LIMITED

Notes to the Accounts (*Continued*)

12. ULTIMATE HOLDING COMPANY

The Company's ultimate holding company is Electra Fleming Holdings Limited, a company incorporated in Great Britain and registered in England and Wales. Copies of the Accounts are available from the Secretary of the Company at 65 Kingsway, London WC2B 6QT.

13. RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption available under Financial Reporting Standard 8 (Related Party Disclosures) not to disclose transactions between entities, 90% or more of whose voting rights are controlled within the group.