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EVERMORE INVESTMENT TRUST PLC
FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 1998

Deloitte & Touche
Chartered Accountants
Deloitte & Touche House
Earlsfort Terrace
Dublin 2



FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 1998

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EVERMORE INVESTMENT TRUST PLC
DIRECTORS AND OTHER INFORMATION

DIRECTORS

Patrick Richard Evershed
Sheena Anne Evershed
Howard Boardman Knott
Roger Hamilton More Nisbett
Jonathan Paul Kingsland Tillett

**SECRETARY AND
REGISTERED OFFICE**

Sheena Anne Evershed
29 Earlsfort Terrace
Dublin 2.

AUDITORS

Deloitte & Touche
Chartered Accountants
Deloitte & Touche House
Earlsfort Terrace
Dublin 2.

BANKERS

Brown, Shipley & Co. Limited
Founders Court
Lothbury
London EC2R 7HE.

SOLICITORS

Radcliffes
5 Great College Street
Westminster
London SW1P 3SJ.

FUND MANAGERS

Rathbone Investment Management
159 New Bond Street
London W1Y 9PA

**REPORT OF THE DIRECTORS**

The Directors present herewith their report and the audited financial statements of the company for the year ended 5 April 1998.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company is an investment holding company which, during the year concerned continued to invest in quoted and unquoted securities.

RESULTS AND DIVIDENDS

The profit for the year is disclosed in the detailed Profit and Loss Account attached.

The Directors do not recommend the payment of a dividend.

COMPANY STATUS

On the 8 August 1997 the company re-registered as a public limited company.

DIRECTORS

The persons listed below acted as Directors of the company during the entire year covered by the financial statements and this report:

Patrick Richard Evershed
Sheena Anne Evershed
Howard Boardman Knott
Roger Hamilton More Nisbett
Jonathan Paul Kingsland Tillett

In accordance with the Articles of Association, Mrs. Sheena Anne Evershed and Mr. Jonathan Paul Kingsland Tillett retire by rotation and, being eligible, offer themselves for re-election.

DIRECTORS' SHAREHOLDINGS**£1 Shares**

Patrick Richard Evershed	15,000
Mrs. Sheena Anne Evershed	10,000
Howard Boardman Knott	500
Roger Hamilton More Nisbett	15,000
Jonathan Paul Kingsland Tillett	7,000



REPORT OF THE DIRECTORS (CONTINUED)

TAXATION STATUS

In the opinion of the Directors, the company is a close company within the provisions of the Income and Corporation Taxes Act, 1988.

AUDITORS

In accordance with Section 160(2) of the Companies Act, 1963, Deloitte & Touche, Chartered Accountants, having signified their willingness, to continue in office.

Signed on behalf of the Board:

Patrick Richard Evershed

Jonathan Paul Kingsland Tillett

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)

DIRECTORS

Date: 5 October 1998



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 year. 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;
- 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 books of account which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Acts, 1963 to 1990. 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.

**REPORT OF THE AUDITORS
TO THE MEMBERS OF EVERMORE INVESTMENT TRUST PLC**

We have audited the financial statements on pages 7 to 12 which have been prepared under the accounting policies set out on page 10.

Respective responsibilities of directors and auditors

As described on page 5 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 state of the company's affairs as at 5 April 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Acts, 1963 to 1990.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

In our opinion the information given in the Report of the Directors on pages 3 and 4 is consistent with the financial statements.

The net assets of the company, as stated in the balance sheet on page 8, are more than half of the amount of its called up share capital and, in our opinion, on that basis there did not exist at 5 April 1998 a financial situation which, under Section 40(1) of the Companies (Amendment) Act, 1983, would require the convening of an extraordinary general meeting of the company.

DELOITTE & TOUCHE
Chartered Accountants and
Registered Auditors

6 October 1998

EVERMORE INVESTMENT TRUST PLC

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 5 APRIL 1998**

	Notes	1998 £	1997 £
INCOME			
Income from investments	1(b)	17,067	14,760
Deposit interest received		172	234
		<u>17,239</u>	<u>14,994</u>
EXPENSES			
Outgoings on holiday chalets		-	414
Audit and secretarial charges		2,887	1,850
Auditors' remuneration		1,630	1,630
Bank interest and charges		9,659	6,261
Miscellaneous		1,971	1,847
		<u>16,147</u>	<u>12,002</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			
		1,092	2,992
Taxation	1(b)	(141)	(248)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			
		951	2,744
Balance forward 6 April 1997		(3,387)	(6,131)
Balance forward 5 April 1998		<u>(2,436)</u>	<u>(3,387)</u>

The company's activities during 1998 and 1997 consisted solely of continuing operations. The result for the year (and for the previous year) represents all of the gains and losses recognised by the company, other than realised gains/losses on sale of investments which are dealt with in the Capital Reserve Account.

The financial statements were approved by the Board of Directors on 5 October 1998 and signed on its behalf by:

Patrick Richard Evershed)	DIRECTORS
)	
Jonathan Paul Kingsland Tillett)	
)	

EVERMORE INVESTMENT TRUST PLC

BALANCE SHEET AS AT 5 APRIL 1998

	Notes	1998 £	1997 £
FIXED ASSETS			
Financial assets	2	330,887	308,038
CURRENT ASSETS			
Taxation recoverable		-	1,957
National Irish Bank Limited : Current Account		12	12
Rathbone Investment Management		5,605	-
		5,617	1,969
CREDITORS : (Amounts falling due within one year)			
Rathbone Investment Management		-	9,563
Current instalments due on Bank Loans and overdrafts	3	104,460	92,868
Creditors and accrued expenses		3,169	3,118
Corporation tax		942	6,845
		108,571	112,394
NET CURRENT LIABILITIES		(102,954)	(110,425)
TOTAL ASSETS LESS CURRENT LIABILITIES		227,933	197,613
CAPITAL AND RESERVES			
Called-up share capital	4	146,500	146,500
Share premium account	5	15,041	15,041
Capital reserve	6	68,828	39,459
Profit and loss account		(2,436)	(3,387)
SHAREHOLDERS' FUNDS	7	227,933	197,613

The financial statements were approved by the Board of Directors on 5 October 1998 and signed on its behalf by:

Patrick Richard Evershed)	DIRECTORS
)	
)	
Jonathan Paul Kingsland Tillett)	

EVERMORE INVESTMENT TRUST PLC

CASH FLOW STATEMENT
FOR THE YEAR ENDED 5 APRIL 1998

	1998 £	1997 £
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES (see below)	(14,025)	18,601
TAXATION		
Corporation tax refunded	1,957	917
Corporation tax paid	(2,978)	(47)
Tax credits applicable to dividends received	(3,413)	(2,952)
	<u>(4,434)</u>	<u>(2,082)</u>
INVESTING ACTIVITIES		
Purchase of quoted investments	(144,909)	(145,603)
Receipts from sales of quoted investments	151,776	119,730
Issue of shares	-	8,000
	<u>6,867</u>	<u>(17,873)</u>
Increase in bank loan and overdraft	<u>(11,592)</u>	<u>(1,354)</u>

**RECONCILIATION OF OPERATING PROFIT
TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES**

Operating profit	1,092	2,992
(Increase)/ Decrease in fund manager's balance	(15,168)	30,673
Increase/(Decrease) in creditors	51	(16,064)
Decrease in debtors	-	1,000
	<u>(14,025)</u>	<u>18,601</u>

ANALYSIS OF CHANGES IN CASH AND BANK DURING THE YEAR

Balance 6 April 1997 (overdrawn)	(92,856)	(91,502)
Net cash outflow (see above)	(11,592)	(1,354)
Balance 5 April 1998 (overdrawn)	<u>(104,448)</u>	<u>(92,856)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 1998**

1. ACCOUNTING POLICIES

- (a) The financial statements are prepared under the historical cost convention.
- (b) Income from U.K. investments include all dividends and interest on securities, the dates of payment of which fell within the year. It includes the imputed tax credit relating to the dividends and this tax is written off within the taxation charge to the extent that it is not recoverable.
- (c) While the company was incorporated in Ireland, the financial statements have been expressed in sterling as almost all assets and liabilities are denominated in that currency.

2. FINANCIAL ASSETS	1998	1997
	£	£
Cost:		
At 6 April 1997	308,038	247,312
Additions	144,909	162,538
Disposals	(122,060)	(101,812)
At 5 April 1998	<u>330,887</u>	<u>308,038</u>
Aggregate Market Value of quoted investments	<u>398,256</u>	<u>347,478</u>

The quoted investments are dealt on a recognised stock exchange.

3. BANK LOANS AND OVERDRAFTS	1998	1997
	£	£
Bank loans and overdrafts	<u>104,460</u>	<u>92,868</u>

Bank loans and overdrafts are repayable on demand.

The bank overdraft is secured by a guarantee from P.R. Evershed and supported by legal charge over a portfolio of stocks and shares.

The loan is secured by the company's portfolio of stocks and shares.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 1998

4.	SHARE CAPITAL	1998 £	1997 £
	Authorised : (ordinary £1 shares)		
	Balance 6.4.1997	200,000	50,000
	Increase as per ordinary resolution dated 26 February 1997	-	150,000
	Balance 5.4.1998	<u>200,000</u>	<u>200,000</u>
	Issued : (ordinary £1 shares)		
	Balance 6.4.1997	146,500	13,975
	Issue of shares	-	675
	Bonus issue (9 shares for 1) per ordinary resolution, dated 26 February 1997	-	131,850
	Balance 5.4.1998	<u>146,500</u>	<u>146,500</u>
5.	SHARE PREMIUM ACCOUNT	1998 £	1997 £
	Balance 6.4.1997	15,041	7,716
	On issue of shares	-	7,325
	Balance 5.4.1998	<u>15,041</u>	<u>15,041</u>
6.	CAPITAL RESERVE		
	Balance 6.4.1997	39,459	146,052
	Surplus on disposal of investments	29,716	34,853
	Provision for corporation tax	(347)	(9,596)
	Transfer : bonus issue	-	(131,850)
	Balance 5.4.1998	<u>68,828</u>	<u>39,459</u>

EVERMORE INVESTMENT TRUST PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 1998

7. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS	1998 £	1997 £
Profit for the financial year	951	2,744
Realised gain on sale of investments (net of taxation)	29,369	25,257
	<u>30,320</u>	<u>28,001</u>
Issue of shares	-	8,000
	<u>30,320</u>	<u>36,001</u>
Opening shareholders funds	197,613	161,612
Closing shareholders funds	<u><u>227,933</u></u>	<u><u>197,613</u></u>