

GUINNESS MAHON FINANCIAL SERVICES LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1997

Registered Number: 1459415



GUINNESS MAHON FINANCIAL SERVICES LIMITED

REPORT OF THE DIRECTORS

The Directors present their report together with the accounts for the year ended 31 December 1997.

1. RESULTS AND REVIEW OF THE YEAR

The Company was dormant throughout the year under review, and did not trade. Accordingly, there is no result to record.

The Company has received confirmation of the continuing financial support of its immediate parent company, Guinness Mahon Group Services Limited.

2. DIVIDEND

The Directors recognise that no dividend can be paid for the year under review.

3. DIRECTORS

The Directors of the Company on 31 December 1997 who all served throughout the period under review were:-

S M Burgess
R N Philipson-Stow

No other person was a Director at any time during the year under review.

4. DIRECTORS' INTERESTS

The Company is a wholly owned subsidiary of another UK company, Guinness Mahon Group Services Ltd. At 31 December 1997 both the Directors were also Directors of that company, and their interests are accordingly disclosed in the accounts of that company.

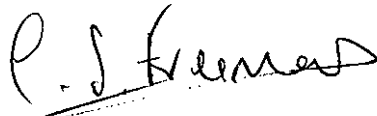
5. DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE PREPARATION OF ACCOUNTS

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 the profit or loss for that period. In preparing those accounts, 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 and prepare the accounts on a going concern basis unless it is inappropriate to presume that the Company will continue in business. The Directors are responsible for maintaining adequate 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 Act"). They are also responsible for safeguarding the assets of the Company, and for preventing and detecting fraud and other irregularities.

6. **AUDITORS**

As the Company continues to satisfy the requirement of Section 250 of the Act relating to dormant companies, the Company is not obliged to appoint an auditor as otherwise required by Section 354 of the Act. No auditor has been appointed for the current, or forthcoming, financial year.

BY ORDER OF THE BOARD

A handwritten signature in dark ink, appearing to read 'C.S. Freeman', written over a horizontal line.

Mrs C.S. Freeman
Secretary

14 February 1998

Registered Office:
32 St Mary at Hill
London EC3P 3AJ

GUINNESS MAHON FINANCIAL SERVICES LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1997

	<u>Notes</u>	31 December 1997 £	31 December 1996 £
CREDITORS: amounts falling due within one year	3	(348,285)	(348,285)
NET LIABILITIES		(348,285)	(348,285)
 CAPITAL AND RESERVES			
Called up share capital	4	100	100
Profit and loss account		(348,385)	(348,385)
EQUITY SHAREHOLDERS' FUNDS		(348,285)	(348,285)

The Company was dormant within the meaning of Section 250 of the Act throughout the year ended 31 December 1997.

The accounts on pages 3 and 4 were approved by the Board of Directors on 24 February 1998, and were signed on its behalf by:



DIRECTOR

The notes on page 4 form part of these accounts.

GUINNESS MAHON FINANCIAL SERVICES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1997

1. PRINCIPAL ACCOUNTING POLICIES

Accounting Convention

The accounts are prepared in accordance with applicable Accounting Standards in the UK and in accordance with the historical cost convention.

2. EMOLUMENTS OF DIRECTORS

The Directors were employed and remunerated as Directors or executives of Guinness Mahon Holdings plc and its subsidiaries ("the Group") in respect of their services to the Group as a whole, and it is therefore considered that there is no appropriate basis on which they can apportion part of their remuneration for their services to the Company.

3. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December <u>1997</u> £	31 December <u>1996</u> £
Amounts owed to holding company	<u>348,285</u>	<u>348,285</u>

4. CALLED UP SHARE CAPITAL

	31 December <u>1997</u> £	31 December <u>1996</u> £
Authorised: 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid: 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

5. ULTIMATE HOLDING COMPANY

The immediate holding company and controlling party is Guinness Mahon Group Services Limited, the ultimate parent company incorporated in Great Britain is Guinness Mahon Holdings plc. The Company's ultimate holding company is The Bank of Yokohama, Ltd., which is incorporated in Japan, copies of whose accounts are available from 32 St Mary at Hill, London EC3P 3AJ.