

GUINNESS MAHON PENSION FUND TRUSTEES LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1997

Registered Number: 1524848



GUINNESS MAHON PENSION FUND TRUSTEES LIMITED

REPORT OF THE DIRECTORS

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

1. PRINCIPAL ACTIVITY AND REVIEW OF THE YEAR

The principal activity of the Company during the year under review was to act as a trustee to the Guinness Mahon Group Pension Scheme. The Company did not trade during the year under review and consequently there is no result to record.

2. DIVIDENDS

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 year under review were:

J A T Wedgwood - Chairman
A J Chivers
R R Farrell
K M H Millar
M J Whitmarsh

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

4. DIRECTORS' INTERESTS

Mr R R Farrell has the following share options to subscribe for Guinness Flight Hambro Asset Management Limited "A" ordinary shares exercisable as follows:

	31 December <u>1997</u>	31 December <u>1996</u>
Between 16 May 1994 and 15 May 1998 at £1 per share	1,500	1,500
Between 22 March 1996 and 21 March 2000 at £2 per share	500	500
Between 24 July 1995 and 23 July 2002 at £3 per share	1,100	1,100

Mr A J Chivers has the following share options to subscribe for Henderson Crosthwaite Holdings Limited B shares exercisable as follows:

Between 29 December 1997 and 31 December 2006 at 20 pence per share	50,000	50,000
Between 24 July 1998 and 31 December 2006 at 20 pence per share	30,000	-

Messrs K M H Millar, J A T Wedgwood and M J Whitmarsh had no interests requiring disclosure.

5. **SUPPLIERS' PAYMENT POLICY**

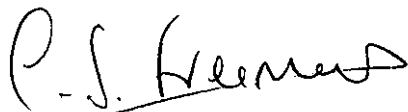
Our policy is to pay all supplier invoices within 30 days of the invoice date, or as otherwise agreed.

6. **AUDITORS**

In accordance with Section 386 of the Companies Act 1985, the Company has elected to dispense with the obligation to appoint auditors annually.

Deloitte & Touche are therefore deemed to be re-appointed as the Company's auditors for each succeeding year, so long as such election remains in force.

BY ORDER OF THE BOARD

A handwritten signature in dark ink, appearing to read 'P. S. Freeman', with a horizontal line drawn across the middle of the signature.

Mrs C.S. Freeman
Secretary

2

February 1998

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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. They are also responsible for safeguarding the assets of the Company, and for preventing and detecting fraud and other irregularities.

AUDITORS' REPORT

TO THE MEMBERS OF GUINNESS MAHON PENSION FUND TRUSTEES LIMITED

We have audited the accounts on pages 4 and 5 which have been prepared under the accounting policy set out on page 5.

Respective Responsibilities of Directors and Auditors

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

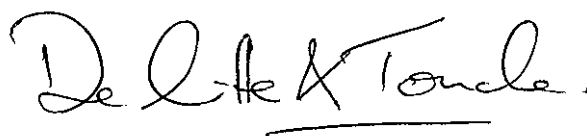
Basis of opinion

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 the Company's affairs as at 31 December 1997 and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche
Chartered Accountants and Registered Auditors
Stonecutter Court
1 Stonecutter Street
London EC4A 4TR

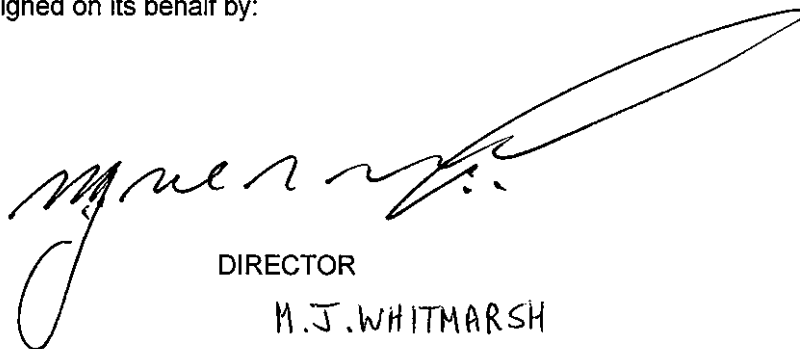
2 February 1998

GUINNESS MAHON PENSION FUND TRUSTEES LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1997

	<u>Notes</u>	31 December <u>1997</u> £	31 December <u>1996</u> £
CURRENT ASSETS			
Debtors	3	<u>2</u>	<u>2</u>
NET ASSETS		<u>2</u>	<u>2</u>
CAPITAL AND RESERVES			
Called up share capital	4	<u>2</u>	<u>2</u>
EQUITY SHAREHOLDERS' FUNDS		<u>2</u>	<u>2</u>

The accounts on pages 4 and 5 were approved by the Board of Directors on 2 February 1998, and were signed on its behalf by:



DIRECTOR
M.J. WHITMARSH

The notes on page 5 form part of these accounts.

GUINNESS MAHON PENSION FUND TRUSTEES 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. PROFIT AND LOSS ACCOUNT

The Company has not traded and has made neither profit nor loss nor any other recognised gains or losses during the current or preceding financial years.

The Directors' emoluments and auditors' remuneration have been borne by the parent company. The Directors either 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, or their fees were paid by the Guinness Mahon Group Pension Scheme. 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.

There were no other items of expenditure requiring disclosure.

3. DEBTORS

	31 December <u>1997</u> £	31 December <u>1996</u> £
Amounts owed by holding company	<u>2</u>	<u>2</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: 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

5. ULTIMATE HOLDING COMPANY

The immediate holding company and controlling party is Guinness Mahon Group 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.