G. K. Goh Securities (U.K.) Limited

Registered No. 2719607

DIRECTORS
Goh Geok Khim
Siew Hean Meng
William Hay
Goh Yew Lin

SECRETARY
Lisa Walsh

AUDITORS
Ernst & Young
Rolls House
7 Rolls Buildings
Fetter Lane
London EC4A 1NH

BANKERS
Standard Chartered Bank
37 Gracechurch Street
London EC3V 0BX

REGISTERED OFFICE
Saddlers House
Gutter Lane
London EC2V 6HS

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DIRECTORS' REPORT

The directors present their report and accounts for the year ended 30 June 1996.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £47,349 (1995 - £30,256). The directors do not recommend the payment of a dividend.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company's principal activity during the year continued to be securities related business.

The directors do not foresee any change in the company's principal activity.

FIXED ASSETS

Details of the company's fixed assets are set out in note 9 of the accounts.

DIRECTORS AND THEIR INTERESTS

The directors during the year were as follows:

Goh Geok Khim
Mary McBain (resigned 31 December 1995)
Siew Hean Meng
William Hay (appointed 1 January 1996)
Goh Yew Lin (appointed 1 February 1996)

None of the directors had a disclosable interest in the share capital of the company.

AUDITORS

A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

On behalf of the board

Director

29/7/96

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STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts 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 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, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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.

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REPORT OF THE AUDITORS
to the members of G. K. Goh Securities (U.K.) Limited

We have audited the accounts on pages 5 to 12, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

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 as at 30 June 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young
Chartered Accountants
Registered Auditor
London
30 July 1996

PROFIT AND LOSS ACCOUNT

for the year ended 30 June 1996

	Notes	1996 £	1995 £
TURNOVER	2	1,130,836	1,105,038
Cost of sales		(718,131)	(661,268)
GROSS PROFIT		412,705	443,770
Administrative expenses		(358,855)	(391,126)
OPERATING PROFIT	3(a)	53,850	52,644
Interest expense	6	–	(22)
Interest income	7	18,988	12,267
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		72,838	64,889
Tax on profit on ordinary activities	8	25,489	34,633
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		47,349	30,256
RETAINED PROFIT FOR THE YEAR		47,349	30,256

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the profit attributable to shareholders of the company of £47,349 in the year ended 30 June 1996 and of £30,256 in the year ended 30 June 1995.

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BALANCE SHEET
at 30 June 1996

	Notes	1996 £	1995 £
FIXED ASSETS			
Tangible assets	9	47,409	78,609
CURRENT ASSETS			
Debtors	10	212,378	285,652
Cash at bank and in hand		532,436	276,390
		744,814	562,042
CURRENT LIABILITIES			
CREDITORS: amounts falling due within one year	12	229,300	125,077
NET CURRENT ASSETS		515,514	436,965
TOTAL ASSETS LESS CURRENT LIABILITIES		562,923	515,574
CAPITAL AND RESERVES			
Called up share capital	13	500,000	500,000
Profit and loss account	14	62,923	15,574
		562,923	515,574

Director

29/7/96

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STATEMENT OF CASH FLOWS

for the year ended 30 June 1996

	Notes	1996 £	1995 £
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	3(b)	265,629	107,545
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		18,988	12,267
Interest paid		–	(22)
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		18,988	12,245
TAXATION			
Corporation tax paid		(26,183)	(3,589)
TAX PAID		(26,183)	(3,589)
INVESTING ACTIVITIES			
Payments to acquire tangible fixed assets		(2,388)	(779)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(2,388)	(779)
NET CASH INFLOW BEFORE FINANCING		256,046	115,422
INCREASE IN CASH AND CASH EQUIVALENTS	11	256,046	115,422
		256,046	115,422

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NOTES TO THE ACCOUNTS
at 30 June 1996

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

Fixed assets

Fixed assets are stated at cost less accumulated depreciation. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. When assets are sold or retired, their cost and accumulated depreciation are removed from the accounts and any gain or loss resulting from their disposal is included in the profit and loss account. Fully depreciated assets are retained in the accounts until they are no longer in use.

Leased assets

Annual rental on operating leases is charged to the profit and loss account.

Depreciation

Depreciation is calculated using the straight line method to write off the cost of the assets over their estimated useful lives. A full year's charge is provided in the year of acquisition. The estimated useful lives are as follows:

Furniture, fittings and leasehold improvements	–	5 years
Communication equipment	–	5 years
Computer equipment	–	5 years

Deferred tax

Deferred taxation is accounted for under the liability method whereby the tax charge for the year is based on the disclosed book profit after adjusting for all permanent differences. The amount of taxation deferred on account of all timing differences is reflected in the deferred taxation account. Deferred tax benefits are not recognised unless there is reasonable expectation of their realisation.

Pensions

The company operates a defined contribution scheme. Contributions are charged in the profit and loss account as they become payable.

2. TURNOVER

Turnover, which is stated net of value added tax, represents amounts invoiced to another group undertaking and is attributable to one continuing activity, the introduction of securities related business to that fellow group undertaking. All turnover is generated in the Far East.

3. OPERATING PROFIT

(a) This is stated after charging:

			1996	*1995*
			£	£
Auditors' remuneration	–	audit services	6,455	5,910
	–	non-audit services	6,400	–
Depreciation of fixed assets			33,588	27,057
Operating lease rentals	–	land and buildings	18,711	16,000

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3. OPERATING PROFIT (continued)

(b) Reconciliation of operating profit to net cash inflow/(outflow) from operating activities:

	1996 £	*1995* £
Operating profit	53,850	52,644
Depreciation	33,588	27,057
Decrease in debtors	73,274	34,737
Increase/(decrease) in creditors	104,917	(6,893)
Net cash inflow from continuing operating activities	265,629	107,545

4. DIRECTORS' EMOLUMENTS

	1996 £	*1995* £
Emoluments (including pension contributions)	249,962	275,539

Directors' emoluments, excluding pension contributions, fell within the following ranges:

	1996 No.	*1995* No.
£Nil – £5,000	3	3
£50,001 – £55,000	1	–
£185,001 – £190,000	1	–
£245,001 – £250,000	–	1

The emoluments, excluding pension contributions, of the chairman, were £Nil (1995 - £Nil).

The emoluments, excluding pension contributions, of the highest paid director were £185,797 (1995 - £245,121).

5. STAFF COSTS

	1996 £	*1995* £
Wages and salaries	609,521	570,942
Social security costs	62,171	52,361
Other pension costs	37,525	35,756
	709,217	659,059

The average weekly number of employees during the year was 6 (1995 - 5).

6. INTEREST EXPENSE

	1996 £	*1995* £
Bank loans and overdrafts	–	22

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7. INTEREST INCOME

	1996 £	*1995* £
Bank deposit	18,988	12,267

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1996 £	*1995* £
Based on the profit for the year:		
Corporation tax at 33%	30,883	31,577
Corporation tax (over)/under provided in previous year	(5,394)	3,056
	25,489	34,633

9. TANGIBLE FIXED ASSETS

	Furniture and fittings £	*Communications equipment* £	*Computer equipment* £	*Leasehold improvements* £	*Total* £
Cost:					
At 1 July 1995	59,913	25,450	29,908	20,018	135,289
Additions	–	690	1,698	–	2,388
At 30 June 1996	59,913	26,140	31,606	20,018	137,677
Depreciation					
At 1 July 1995	24,961	10,180	11,963	9,576	56,680
Provided during the year	11,983	5,125	6,038	10,442	33,588
At 30 June 1996	36,944	15,305	18,001	20,018	90,268
Net book value:					
At 30 June 1996	22,969	10,835	13,605	–	47,409
At 1 July 1995	34,952	15,270	17,945	10,442	78,609

10. DEBTORS

	1996 £	*1995* £
Amount owed by group undertakings	158,052	222,746
Other debtors	10,053	8,710
Prepayments and accrued income	16,773	26,696
Lease deposit	27,500	27,500
	212,378	285,652

The lease deposit of £27,500 is due within one year (1995 - due within two years).

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NOTES TO THE ACCOUNTS
at 30 June 1996

11. CASH AND CASH EQUIVALENTS

	1996 £	*1995* £
Cash at bank and in hand		
At 1 July 1995	276,390	160,968
Net cash inflow	256,046	115,422
At 30 June 1996	532,436	276,390

12. CREDITORS: amounts falling due within one year

	1996 £	*1995* £
Trade creditors	2,211	18,851
Corporation tax	30,883	31,577
Other taxes and social security costs	20,167	13,983
Accruals	176,039	60,666
	229,300	125,077

13. SHARE CAPITAL

	Authorised		*Allotted, called up and fully paid*	
	1996 No.	*1995* No.	*1996* £	*1995* £
Unclassified shares of £1 each	500,000	500,000	500,000	500,000

14. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share capital £	*Profit and loss account* £	*Total* £
At 1 July 1995	500,000	15,574	515,574
Profit for the year	–	47,349	47,349
At 30 June 1996	500,000	62,923	562,923

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15. OTHER FINANCIAL COMMITMENTS

At 30 June 1996 the company had the following commitments:

(a) Rentals under the operating lease on the current premises due to be vacated in September 1996 of £12,000. (1995 - leases expiring in one to five years - £16,000).

(b) Reinstatement costs on the current premises of £22,000 payable in September 1996.

16. PENSION COMMITMENTS

The company operates a defined contribution pension scheme for its directors and employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

17. PARENT UNDERTAKING

The immediate parent undertaking is G. K. Goh Holdings Limited, a company incorporated in Singapore, and the ultimate parent undertaking is GKG Investment Holdings Pte Ltd, also incorporated in Singapore.

The accounts of the companies are available from 50 Raffles Place, Shell Tower # 33-00 Singapore 048623.

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