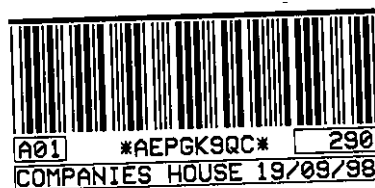


Torkirk Limited

**Annual report
for the year ended 31 December 1997**

Registered no: 2706684



Torkirk Limited

Annual report for the year ended 31 December 1997

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Torkirk Limited

Directors' report for the year ended 31 December 1997

The directors present their report and the audited financial statements for the year ended 31 December 1997.

Principal activities

The company was dormant throughout the year.

Directors

The directors of the company at the beginning and end of the year are listed below:-

Mr K A Carby - resigned 4 July
Mr M S Wilson
Mr D C Bellamy - appointed 20/11/97
Mr H J Gladman - appointed 20/11/97
Mr M D Moule - appointed 1/12/97
Sir M Weinberg - appointed 20/11/97
Mr S P Williams - appointed 20/11/97

Torkirk Limited

Directors' report

for the year ended 31 December 1997 (continued)

Directors' interests

The interests of Sir M Weinberg, Messrs Wilson and Bellamy are disclosed in the consolidated financial statements of St James's Place Capital plc. The interests of Messrs Gladman, Moule and Williams are detailed below.

Executive Share Option Scheme

Director	Options held at 1 January 1997 / date of appointment	Granted in Year	Options held at 31 December 1997	Exercise Price	Date From which exercisable	Expiry Date
H Gladman	70,000	-	70,000	0.57p	Dec 1999	Dec 2004
	148,750	-	148,750	1.71p	Jan 2003	Jan 2006
	200,000	-	200,000	£1.33	Jul 2001	Jul 2007
S Williams	49,000	-	49,000	0.57p	Jan 1997	Feb 2004
	140,000	-	140,000	1.71p	Feb 2000	Jan 2006
	200,000	-	200,000	£1.33	Jul 2001	Jul 2007
M Moule	-	200,000	200,000	£1.49	Jan 2002	Dec 2007

SAYE Share Option Scheme

Director	Options held at 1 January 1997 / date of appointment	Granted in Year	Options held at 31 December 1997	Exercise Price	Date From which exercisable	Expiry Date
H Gladman	16,121	-	16,121	£1.07	1 Sept 2002	1 Mar 2003
S Williams	16,121	-	16,121	£1.07	1 Sept 2002	1 Mar 2003

Share Holding

Director	31 December 1997 Ordinary Shares of 15 pence each		31 December 1996 / date of appointment Ordinary Share of 15 pence each	
	Beneficial	Non-Beneficial	Beneficial	Non-Beneficial
S Williams	32,400	32,400	73,500	-
M Moule	2,191	-	-	-

Torkirk Limited

Directors' report for the year ended 31 December 1997 (continued)

Directors' interests (continued)

As at 31 December 1997 the share price was £1.69. The range of prices between 1 January 1997 and 31 December 1997 was £0.95 to £1.69.

The company's register of director's interests, which is open to inspection, contains full details of director's shareholdings and options to subscribe.

Employees

The company has no employees.

Taxation status

The company is not a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

Auditors

During the year Ernst & Young resigned as auditors and the Board appointed Price Waterhouse in their place. The company has elected to dispense with the obligation to appoint auditors annually, so Price Waterhouse will be automatically reappointed, subject to no resolution being passed by members that the appointment of auditors be brought to an end.

By order of the Board.



Director

24 August 1998

Torkirk Limited

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 and loss for that period. In preparing those accounts, the directors are also 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 as directed above. 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.

Torkirk Limited

Report of the auditors to the members of Torkirk Limited

We have audited the accounts on pages 7 to 9, 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 5, 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 the 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 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 31 December 1997 and have been properly prepared in accordance with the Companies Act 1985.



Price Waterhouse
Chartered Accountants
Registered Auditors
London

24 August 1998

Torkirk Limited

Balance sheet as at 31 December 1997

	Notes	1997 £	1996 £
Current assets			
Cash at bank and in hand		100	100
		<hr/>	<hr/>
Capital and reserves			
Called up share capital - equity interests	2	100	100
		<hr/>	<hr/>

The company was dormant throughout the financial year.

The financial statements on pages 7 to 9 were approved by the board of directors on
24 August 1998 and were signed on its behalf by:-



Director

The notes on pages 8 and 9 form an integral part of the accounts.

Torkirk Limited

Notes to the financial statements for the year ended 31 December 1997

1. Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

The company has taken advantage of the exemption permitted under FRS1 (Revised 1996) not to prepare a cashflow statement.

2. Called up share capital

	1997 £	1996 £
Authorised		
100 Ordinary shares of £1 each	100	100
	<hr/>	<hr/>
Allocated, called up and fully paid		
Equity Interests:		
100 Ordinary shares of £1 each	100	100
	<hr/>	<hr/>

Torkirk Limited

Notes to the financial statements for the year ended 31 December 1997 (continued)

3. Ultimate parent undertaking

The parent undertaking of the smallest and largest group to consolidate the accounts of the company is St. James's Place Capital plc, a company registered in England and Wales, which is also the ultimate parent undertaking.

Copies of the group accounts of St. James's Place Capital plc may be obtained from the Company Secretary, St. James's Place Capital plc, J. Rothschild House, Dollar Street, Cirencester, Gloucestershire, GL7 2AQ.

4. Related party transactions

Advantage has been taken of the exemption from disclosure of related party transactions on the grounds that 90 per cent of the company's voting rights are controlled within the St James's Place Capital plc group.