

BZW PRIVATE EQUITY LTD
AND SUBSIDIARIES

(FORMERLY BARCLAYS DEVELOPMENT CAPITAL LIMITED)

REPORT AND ACCOUNTS

31 DECEMBER 1995

Registered in England No. 1125740



BZW PRIVATE EQUITY LIMITED
(FORMERLY BARCLAYS DEVELOPMENT CAPITAL LIMITED)

DIRECTORS' REPORT

OWNERSHIP

The shares in the Company are beneficially owned by Barclays de Zoete Wedd Limited and are held in the names of Ebbgate Group Limited and Ebbgate Holdings Limited, subsidiaries of Barclays de Zoete Wedd Holdings Limited.

PRINCIPAL ACTIVITY, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The principal activity of the Company and its subsidiaries is to provide equity finance for private companies. In 1995 the Company took on the management of funds from the Sun Life Assurance Society Limited for investment in private companies. No significant change in these activities is envisaged in the foreseeable future.

CHANGE OF NAME

On 24 April 1995 the Company changed its name from Barclays Development Capital Limited to BZW Private Equity Limited.

RESULTS AND DIVIDENDS

The consolidated profit of BZW Private Equity Limited and its subsidiaries for the year ended 31 December 1995, after providing for corporation tax and provisions on investments, amounted to £7,632,000 (1994 £8,892,000). The Directors have recommended an interim dividend of £4,527,000 (1994 : £nil) and a final dividend of £8,500,000 (1994 £4,400,000) and hence a deficit of £5,395,000 (1994 £4,527,000 surplus) has been transferred from reserves.

DIRECTORS

The names of the present Directors, together with their dates of appointment, if appropriate, are:-

L S Allan	
E S O Bishop	(Managing Director)
D H Brydon	(Chairman)
L A C Horler-Webber	
T S Lamb	
M A Ransom	
B R G G Smith	
G R White	
D C Bays	(appointed 05/05/95)
S E Welton	(appointed 01/02/96)

The following Directors resigned on the dates shown:

S W Buckley	(05/05/95)
J W C Cotton	(05/05/95)
M R Cumming	(28/07/95)
G Milligan	(05/05/95)
D R Porter	(05/05/95)

BZW PRIVATE EQUITY LIMITED
(FORMERLY BARCLAYS DEVELOPMENT CAPITAL LIMITED)

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' INTERESTS IN SHARES

(As defined by the Companies Act 1985)

The Directors of the Company are also Directors of Ebbgate Holdings Limited and their interests are disclosed in the financial statements of that company.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

Directors' and officers' liability insurance has been maintained for the directors and officers of the Company throughout the year.

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 period. In preparing those financial statements the Directors are required to

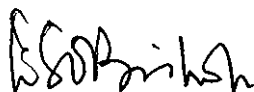
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

On 9 April 1992 an Elective Resolution was passed by the shareholders of the Company pursuant to section 386 of the Companies Act 1985 to dispense with the obligations to appoint auditors annually. Price Waterhouse have indicated their willingness to continue in office.

By Order of the Board



E S O Bishop
Managing Director
Ebbgate House
2 Swan Lane
LONDON EC4R 3TS

28 March 1996

AUDITORS' REPORT TO THE MEMBERS OF
BZW PRIVATE EQUITY LIMITED
(FORMERLY BARCLAYS DEVELOPMENT CAPITAL LIMITED)

We have audited the financial statements on pages 4 to 15 which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and on the basis of the accounting policies set out on pages 7 and 8.

Respective responsibilities of Directors and auditors

As described on page 2 the Company's Directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial 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 affairs of the Company and of the Group as at 31 December 1995 and of the result of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants
and Registered Auditors
Southwark Towers
32 London Bridge Street
London SE1 9SY

28 March 1996

BZW PRIVATE EQUITY LIMITED
(FORMERLY BARCLAYS DEVELOPMENT CAPITAL LIMITED)

CONSOLIDATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 1995

	Notes	1995 £'000	1994 £'000
Interest and dividends from investments		7,061	5,349
Gains on sale of investments		11,796	9,546
		<hr/>	<hr/>
	3	18,857	14,895
Interest receivable from group undertakings		2,241	1,825
Other interest receivable and similar income		2,744	1,860
Net provision (charged)/released against debt and equity investments	4	(3,511)	1,367
Interest payable to group undertakings		(2,524)	(2,046)
Other interest payable		(22)	-
Profit on sale of subsidiary undertaking		-	59
Administration expenses		(6,637)	(5,847)
		<hr/>	<hr/>
Profit on ordinary activities before taxation	3	11,148	12,113
Tax on profit on ordinary activities	7	(3,516)	(3,221)
		<hr/>	<hr/>
Profit on ordinary activities after taxation		7,632	8,892
Minority interest		-	35
		<hr/>	<hr/>
Profit for the financial year		7,632	8,927
Dividends paid and proposed		(13,027)	(4,400)
		<hr/>	<hr/>
Amount transferred (from)/to reserves	15	(5,395)	4,527
		<hr/>	<hr/>

The Group had no recognised gains or losses in the year or in the prior year other than those reflected in the above profit and loss account. There is no difference between the results disclosed in the Group profit and loss account and the results on an unmodified historical cost basis.

The notes on pages 7 to 15 form an integral part of these financial statements.

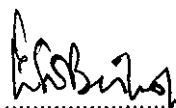
BZW PRIVATE EQUITY LIMITED
(FORMERLY BARCLAYS DEVELOPMENT CAPITAL LIMITED)

CONSOLIDATED BALANCE SHEET
31 DECEMBER 1995

	NOTES	1995 £'000	1994 £'000
FIXED ASSETS			
Investments	9	6,129	5,027
		<u>6,129</u>	<u>5,027</u>
CURRENT ASSETS			
Amounts owed by parent company and fellow subsidiary undertakings		31,092	29,554
Other debtors including taxation	11	6,761	13,019
Investments	12	63,968	33,365
		<u>101,821</u>	<u>75,938</u>
CREDITORS: Amounts falling due within one year	13	(79,928)	(47,548)
		<u>21,893</u>	<u>28,390</u>
NET CURRENT ASSETS			
		<u>28,022</u>	<u>33,417</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>28,022</u>	<u>33,417</u>
CAPITAL AND RESERVES			
Called up share capital	14	10,000	10,000
Reserves	16	18,022	23,417
		<u>28,022</u>	<u>33,417</u>
TOTAL SHAREHOLDERS' FUNDS			
		<u>28,022</u>	<u>33,417</u>

The notes on pages 7 to 15 form an integral part of these financial statements.

A Committee of the Board of Directors approved these financial statements on 28 March 1996.



E S O Bishop (Managing Director)

BZW PRIVATE EQUITY LIMITED
(FORMERLY BARCLAYS DEVELOPMENT CAPITAL LIMITED)

BALANCE SHEET
31 DECEMBER 1995

	NOTES	1995 £'000	1994 £'000
FIXED ASSET INVESTMENTS			
Shares in subsidiary undertakings	10	26	4,914
CURRENT ASSETS			
Amounts owed by parent company and fellow subsidiary undertakings		31,092	29,554
Other debtors including taxation		446	545
		31,538	30,099
CREDITORS: Amounts falling due within one year	13	(3,542)	(1,596)
NET CURRENT ASSETS		27,996	28,503
TOTAL ASSETS LESS CURRENT LIABILITIES		28,022	33,417
CAPITAL AND RESERVES			
Called up share capital	14	10,000	10,000
Reserves	15	18,022	23,417
TOTAL SHAREHOLDERS' FUNDS		28,022	33,417

The notes on pages 7 to 15 form an integral part of these financial statements.
A Committee of the Board of Directors approved these accounts on 28 March 1996.


..... E S O Bishop (Managing Director)

1. ACCOUNTING POLICIES

(a) Accounting Convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of the Company's investments in its subsidiaries and in accordance with applicable accounting standards.

(b) Consolidation

The consolidated financial statements incorporate the financial statements of the company and all its subsidiaries.

(c) Investments

Listed investments are stated at the lower of cost and market value and unlisted investments are stated at the lower of cost and the Directors' opinion of their net realisable value.

(d) Investment Income

Investment income is taken into account when received.

When an investment is disposed of and the consideration is satisfied by equity or similar rights and obligations to the original equity no profit or loss is recognised. Profit or loss is only recognised on disposal of equity for cash or cash equivalent.

(e) Foreign Currencies

Assets and liabilities in foreign currencies are expressed in sterling at the rate of exchange ruling at the balance sheet date. Exchange profits and losses which arise from normal activities are included in operating profit. Unrealised gains and losses resulting from the translation of the financial statements of foreign subsidiaries are reduced by the exchange differences on foreign currency loans used to finance these subsidiaries; the net amount is shown as a movement in reserves.

(f) Deferred Taxation

Deferred taxation is provided at the estimated rate at which future taxation will become payable on all timing differences between the accounting and taxation treatment of income and expense, except where, in the opinion of the Directors, no liability to taxation is expected to arise in the foreseeable future.

(g) Pension Scheme

The Company is a member of the group defined benefit funded scheme administered by Barclays de Zoete Wedd Services Limited on behalf of group undertakings, particulars of which are given in the financial statements of that company.

(h) Cash Flow Statement

The Company's ultimate holding company has adopted the provisions of Financial Reporting Standard 1 (FRS1), Cash Flow Statements. Accordingly the Company, which is a wholly owned subsidiary, has elected to utilise the exemption provided in FRS1 and not produce a Cash Flow Statement.

BZW PRIVATE EQUITY LIMITED
(FORMERLY BARCLAYS DEVELOPMENT CAPITAL LIMITED)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1995 (CONTINUED)

1. ACCOUNTING POLICIES (Continued)

(i) Depreciation

Depreciation of fixed assets, including those acquired under finance leases, is calculated to write off their cost over their estimated useful lives which are considered to be five years.

2. PROFIT OF THE PARENT COMPANY

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these accounts. The parent company's profit for the financial year amounted to £12,520,000 (1994: £4,808,000).

3. SEGMENTAL INFORMATION

Consolidated income and profit before taxation by class of business and geographical origin are analysed below:

	Income		Profit Before Taxation	
	1995 £'000	1994 £'000	1995 £'000	1994 £'000
Class of business and geographical origin:-				
Investment dealing - UK	16,560	15,332	13,194	12,445
- France	-	15	-	(71)
Investment holding - UK	2,297	(452)	(2,046)	(261)
	<hr/>	<hr/>	<hr/>	<hr/>
	18,857	14,895	11,148	12,113
	<hr/>	<hr/>	<hr/>	<hr/>

The Directors do not consider it is appropriate to distinguish between investment income and turnover.

The net assets of the investment holding activity amounted to £27,750,000 (1994 : £29,564,000); the balance related to investment dealing.

4. INVESTMENT PROVISIONS

	1995 £'000	1994 £'000
Amounts provided against investments	(4,650)	(2,585)
Amounts written back in respect of prior years	1,139	3,952
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Net (provision)/release	(3,511)	1,367
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BZW PRIVATE EQUITY LIMITED
(FORMERLY BARCLAYS DEVELOPMENT CAPITAL LIMITED)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1995 (CONTINUED)

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1995</u>	<u>1994</u>
	£'000	£'000
Profit on ordinary activities before taxation is stated after charging:		
Management fee payable to a group undertaking	6,637	5,658
Income from listed investments	255	77
Income from fixed asset investments	995	593
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Auditors', Directors' and employees' remuneration, and certain direct and indirect costs, are borne by Barclays de Zoete Wedd Services Limited and are recharged to the Company by way of a management fee shown above.

6. DIRECTORS' EMOLUMENTS

The aggregate emoluments of the Directors of the Company computed in accordance with Schedule 6 of the Act were:

	<u>1995</u>	<u>1994</u>
	£'000	£'000
Other emoluments	1,934	1,668
	<hr/>	<hr/>
The Directors' remuneration disclosed above (excluding pension contributions) included amounts paid to:		
The Chairman	Nil	Nil
The highest paid Director	412	368
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Emoluments of the directors, excluding pension contributions, were within the following scales:

	<u>1995</u>	<u>1994</u>
Not exceeding £5,000	6	7
£45,001 - £50,000	1	-
£140,001 - £145,000	1	1
£145,001 - £150,000	-	1
£150,001 - £155,000	-	1
£155,001 - £160,000	-	1
£160,001 - £165,000	1	-
£175,001 - £180,000	1	-
£190,001 - £195,000	1	-
£240,001 - £245,000	-	1
£270,000 - £275,000	1	-
£325,001 - £330,000	-	1
£355,001 - £360,000	1	-
£365,001 - £370,000	-	1
£410,001 - £415,000	1	-

BZW PRIVATE EQUITY LIMITED
(FORMERLY BARCLAYS DEVELOPMENT CAPITAL LIMITED)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1995 (CONTINUED)

7. TAXATION

The taxation charge based on the profit for the year is as follows:

	<u>1995</u> £'000	<u>1994</u> £'000
United Kingdom Corporation tax at 33% (1994 - 33%)	(2,332)	(2,187)
Prior year adjustment - current tax	(39)	(18)
Tax suffered on franked investment income	(1,120)	(1,008)
Deferred tax	(25)	(8)
	<u>(3,516)</u>	<u>(3,221)</u>

8. DEFERRED TAXATION

	<u>1995</u> £'000	<u>1994</u> £'000
Movements on deferred tax during the year are as follows:-		
As at 1 January	50	58
Release to profit and loss account	(25)	(8)
As at 31 December	<u>25</u>	<u>50</u>
Deferred tax asset at 31 December is in respect of:		
Investment provisions	<u>25</u>	<u>50</u>

BZW PRIVATE EQUITY LIMITED
(FORMERLY BARCLAYS DEVELOPMENT CAPITAL LIMITED)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1995 (CONTINUED)

9. FIXED ASSET INVESTMENTS - GROUP

	<u>1995</u> Listed £'000	<u>1995</u> Unlisted £'000	<u>1995</u> Total £'000
<u>Cost</u>			
Balance at 1 January	144	6,363	6,507
Additions	-	3,908	3,908
Disposals	(50)	(280)	(330)
Write offs	-	(1,194)	(1,194)
Balance at 31 December	<u>94</u>	<u>8,797</u>	<u>8,891</u>
<u>Provisions</u>			
Balance at 1 January	-	1,479	1,479
Provisions charged during year	-	2,515	2,515
Provisions released during year	-	(38)	(38)
Provisions written off during year	-	(1,194)	(1,194)
Balance at 31 December	<u>-</u>	<u>2,762</u>	<u>2,762</u>
<u>Net Book Value</u>			
Balance at 31 December 1995	<u>94</u>	<u>6,035</u>	<u>6,129</u>
At 31 December 1994	<u>144</u>	<u>4,883</u>	<u>5,027</u>

Details of the companies in which the group holds more than 10% of any class of the equity share capital or more than 10% of the total allotted share capital are given in the financial statements of the subsidiaries in which they are held. In the opinion of the Directors the investments had an estimated market value of:

	<u>1995</u> £'000	<u>1994</u> £'000
Listed in the U.K.	2,846	2,993
Unlisted	8,502	8,387
	<u>11,348</u>	<u>11,380</u>

BZW PRIVATE EQUITY LIMITED
(FORMERLY BARCLAYS DEVELOPMENT CAPITAL LIMITED)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1995 (CONTINUED)

10. FIXED ASSET INVESTMENTS - COMPANY

The following companies are the principal subsidiaries of BZW Private Equity Limited and are incorporated in Great Britain except where indicated.

<u>Name</u>	<u>Country of Incorporation</u>	<u>Nature of Business</u>	<u>% of Equity Control Held</u>
Barclays Industrial Investments Limited	Great Britain	Investment Holding Company	100
Barclays Industrial Development Limited	Great Britain	Investment Dealing Company	100
Barclays Industrial Investments (Birmingham) Limited	Great Britain	Investment Holding Company	100

	<u>1995</u> Shares in Group Undertakings £'000
<u>Cost</u>	
Balance at 1 January 1995 and 31 December 1995	2
<u>Revaluation</u>	
Balance at 1 January 1995	4,912
Revaluation for the year	(4,888)
Balance at 31 December 1995	24
<u>Net Book Amount</u>	
Balance at 31 December 1995	26
Balance at 31 December 1994	4,914

11. OTHER DEBTORS - GROUP

Included within the other debtors balances are amounts of £ 3,942,000 (1994-£4,288,000) receivable in more than one year and a deferred tax asset of £25,000 (1994 £50,000) see note 8.

BZW PRIVATE EQUITY LIMITED
(FORMERLY BARCLAYS DEVELOPMENT CAPITAL LIMITED)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1995 (CONTINUED)

12. CURRENT ASSET INVESTMENTS - GROUP

	<u>1995</u> Book Amount £'000	<u>1995</u> Valuation £'000	<u>1994</u> Book Amount £'000	<u>1994</u> Valuation £'000
Listed investments				
UK	540	6,559	759	4,752
Unlisted investments	63,428	82,561	32,606	49,140
	<u>63,968</u>	<u>89,120</u>	<u>33,365</u>	<u>53,892</u>

The Company has no current asset investments.

Details of the companies in which the group holds more than 10% of any class of the equity share capital or more than 10% of the total allotted share capital are given in the financial statements of the subsidiaries in which they are held.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>Group</u>		<u>Company</u>	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
Amounts owed to parent undertaking and fellow subsidiary undertakings	76,487	43,453	2,895	232
Other creditors	696	1,413	647	1,364
Corporation tax	2,745	2,682	-	-
	<u>79,928</u>	<u>47,548</u>	<u>3,542</u>	<u>1,596</u>

14. CALLED UP SHARE CAPITAL

	<u>1995</u> £'000	<u>1994</u> £'000
Authorised, allotted, issued and fully paid 10,000,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

15. RESERVES

	<u>Profit & Loss Account £'000</u>	<u>Capital Reserve £'000</u>	<u>Total £'000</u>
THE GROUP			
Balance at 1 January 1995	18,417	5,000	23,417
Loss for the year transferred to reserves	<u>(5,395)</u>	<u>-</u>	<u>(5,395)</u>
Balance at 31 December 1995	<u>13,022</u>	<u>5,000</u>	<u>18,022</u>

BZW PRIVATE EQUITY LIMITED
(FORMERLY BARCLAYS DEVELOPMENT CAPITAL LIMITED)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1995 (CONTINUED)

15. RESERVES (CONTINUED)

	Profit & Loss Account £'000	Revaluation Reserve £'000	Capital Reserve £'000	Total £'000
THE COMPANY				
Balance at 1 January 1995	13,505	4,912	5,000	23,417
Loss for the year transferred to reserves	(507)	-	-	(507)
Revaluation of subsidiaries	-	(4,888)	-	(4,888)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 1995	12,998	24	5,000	18,022
	<hr/>	<hr/>	<hr/>	<hr/>

The Reserves position for the group does not include the Revaluation Reserve because the Reserve is for the revaluation of subsidiaries to net assets value, which is already included in the net assets at the group upon consolidation.

16. RECONCILIATION OF SHAREHOLDERS FUNDS

	<u>1995</u> £'000	<u>1994</u> £'000
THE GROUP		
Profit for the year	7,632	8,927
Dividends	(13,027)	(4,400)
Foreign Exchange	-	11
	<hr/>	<hr/>
Net movement in shareholders' funds	(5,395)	4,538
Opening shareholders' funds	33,417	28,879
	<hr/>	<hr/>
Closing shareholders' funds	28,022	33,417
	<hr/>	<hr/>
	<u>1995</u> £'000	<u>1994</u> £'000
THE COMPANY		
Profit for the year	12,520	4,808
Dividends	(13,027)	(4,400)
Other recognised gains and losses in the year	(4,888)	4,119
	<hr/>	<hr/>
Net movement in shareholders' funds	(5,395)	4,527
Opening shareholders' funds	33,417	28,879
	<hr/>	<hr/>
Closing shareholders' funds	28,022	33,417
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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1995 (CONTINUED)

17. CONTRACTS WITH DIRECTORS AND CONNECTED PERSONS

During the year there were no loans to Directors or connected persons or other transactions, arrangements or agreements which require disclosure in accordance with the Companies Act 1985.

18. CONTINGENT LIABILITIES AND DEFERRED CONSIDERATION

As at 31 December 1995 the Group had issued guarantees on behalf of subsidiary undertakings in favour of Barclays Bank PLC for advances to third parties amounting to £2,859,000 (1994 - £5,228,000).

As at 31 December 1995 the Company had issued guarantees on behalf of subsidiary undertakings in favour of Barclays Bank PLC for advances to third parties amounting to £2,359,000 (1994 - £4,228,000).

19. ULTIMATE HOLDING COMPANY

The parent undertaking of the smallest group that presents group financial statements is Barclays Bank PLC. The ultimate holding company and the parent company of the largest group that presents group financial statements is Barclays PLC. Both companies are incorporated in Great Britain and registered in England and Wales. Barclays Bank PLC's and Barclays PLC's statutory financial statements are available from the Secretary 54 Lombard Street, London EC3P 3AH.