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EMBANKMENT TRUST LIMITED

Directors

E.P. Emmerson, chairman
J.S. Graham
D.A. Sampson

Report of the directors

The directors submit the audited accounts for the year ended 31st December 1983.

The Company is an investment trust but is not approved as such under the provisions of the Income and Corporation Taxes Act 1970, as amended.

Net revenue for the year after taxation amounted to £221, all of which will be paid as a dividend on 31st March 1984.

The present directors who served throughout the year are listed above.

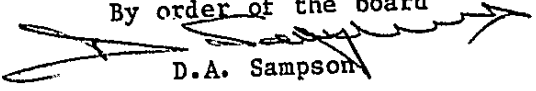
The ultimate holding company is S. Pearson & Son plc.

The interests of the directors in shares and debenture and loan stocks of S. Pearson and its subsidiaries, as shown by the register kept for the purpose of Section 27, Companies Act 1967, are as follows:-

	At 31.12.83	At 1.1.83
E.P. Emmerson S. Pearson & Son plc: option on ordinary shares	31,915	31,915
J.S. Graham	none	none
D.A. Sampson S. Pearson & Son plc: option on ordinary shares	15,829	829

The auditors, Deloitte Haskins & Sells, are willing to continue in office and their reappointment at a remuneration to be agreed by the directors will be proposed at the Annual General Meeting.

By order of the board


D.A. Sampson

Secretary

Registered office:

Millbank Tower
Millbank
London SW1P 4QZ

Registered in England no. 353341

06 JUN 1984



EMBANKMENT TRUST LIMITED

Balance sheet at 31st December 1983

	<u>1983</u>	<u>1982</u>
	£	£
FIXED ASSETS: Investments (note 2)	<u>13,243,439</u>	<u>13,243,995</u>
CREDITORS FALLING DUE WITHIN ONE YEAR		
Taxation	211	138
Other creditors	4,353	4,813
Dividend	221	390
	<u>4,785</u>	<u>5,341</u>
NET CURRENT LIABILITIES	<u>£13,238,654</u>	<u>£13,238,654</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u> </u>	<u> </u>
CAPITAL AND RESERVES		
Called up share capital (note 3)	6,306,603	6,306,603
Capital reserve	5,925,971	5,925,971
Profit and loss account	<u>1,006,080</u>	<u>1,006,080</u>
	<u>£13,238,654</u>	<u>£13,238,654</u>

Approved by the board on 06 JUN 1984

[Signature]

[Signature]

Directors

EMBANKMENT TRUST LIMITED

Profit and Loss account for the year ended 31st December 1983

	£	<u>1983</u>	£	£	<u>1982</u>	£
Release of provision			460			-
Income from fixed asset investments:						
Listed			-			630
Unlisted			-			14,400
			<hr/>			<hr/>
Profit for financial year before taxation			460			15,030
Taxation thereon (note 4)			<u>239</u>			<u>4,648</u>
Profit for financial year after taxation			221			10,382
Dividends						
paid			-		9,992	
proposed		<u>221</u>			<u>390</u>	
			<hr/>			<hr/>
Profit retained for the year			221			10,382
Profit and loss account brought forward			<u>1,006,080</u>			<u>1,006,080</u>
Profit and loss account carried forward			<u>£1,006,080</u>			<u>£1,006,080</u>

EMBANKMENT TRUST LIMITED

Notes on the accounts

1. The company prepares its annual accounts on the historical cost basis of accounting.

2. Investments

	<u>1983</u> £	<u>1982</u> £
Loan to group companies:		
Deposit with holding company	13,243,437	13,243,437
Unlisted at cost less amounts written down	<u>2</u>	<u>2</u>
	<u>£13,263,439</u>	<u>£13,243,439</u>

3. Share capital

	<u>1983</u>	<u>1982</u>
Ordinary shares of 25p each		
Authorised	30,000,000	30,000,000
Issued	25,226,410	25,226,410

4. Taxation charged in the profit and loss account is made up as follows:

	<u>1983</u> £	<u>1982</u> £
Corporation tax at 52%	239	327
Tax on franked income	-	4,320
Prior year's adjustments	<u>-</u>	<u>1</u>
	<u>£239</u>	<u>£4,648</u>

5. The company is a wholly-owned subsidiary of The Whitehall Trust Limited. The ultimate holding company is S. Pearson & Son plc, incorporated in Great Britain.

EMBANKMENT TRUST LIMITED

Source and application of funds for the year ended 31st December 1983

	<u>1983</u> <u>£</u>	<u>1982</u> <u>£</u>
Source of funds		
Profit after taxation	221	10,382
Sale of investments less taxation	<u>-</u> 221	<u>127,000</u> 137,382
Application of funds		
Dividends for the year	221	10,382
Decrease (increase) in net current liabilities	<u>556</u>	<u>(3,161)</u> <u>7,221</u>
(Decrease) increase in funds	<u>£(556)</u>	<u>£130,161</u>
Being:-		
(Decrease) increase in deposit with holding company/fellow subsidiary	<u>(556)</u>	<u>130,161</u>

AUDITORS' REPORT TO THE MEMBERS OF
EMBANKMENT TRUST LIMITED

We have audited the financial statements on pages 2 to 5 in accordance with approved auditing standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st December 1983 and of its profit and source and application of funds for the year then ended and comply with the Companies Acts 1948 to 1981.

London

18th June 1984

Deville Haskins & Bell

Chartered Accountants