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# CATER ALLEN LIMITED

## DIRECTORS' REPORT

The directors submit their report and accounts for the year ended 30th April, 1989.

### Results and dividends

The results for the year and the state of the company's affairs are as set out in the attached accounts.

The profit and loss account on page 4 shows a profit of £2,258,000 after making provision for rebate and taxation. An interim dividend on the ordinary shares has already been paid. The directors do not recommend the payment of a final dividend.

### Principal activity

The main activity of the company is as a Discount House in London. Profits fluctuate with market conditions and the company will continue to be active in its traditional markets.

### Directors and their interests

The directors who served during the year were:

J.C.Barclay	Chairman & Managing
C.J.W.Frost	Managing
J.E.Illsley	Managing
D.J.White	Managing
S.R.B.Wood	Managing
P.G.Cairns	
E.R.R.Jewson	(appointed 1st December, 1988)
M.D.Lee	
I.T.Liss	

In accordance with the Articles of Association the directors are not subject to retirement by rotation.

The interests of the directors who were not also directors of the holding company in the ordinary shares of £1 each of Cater Allen Holdings PLC, all of which were beneficially held, were as follows:

	At 30th April, 1989	At 30th April, 1988 (or on appointment)
P.G.Cairns	9,379	8,231
E.R.R.Jewson	-	-
M.D.Lee	7,686	6,335
I.T.Liss	6,270	4,919

CATER ALLEN LIMITED

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DIRECTORS' REPORT  
(continued)

Directors and their interests  
(continued)

The undermentioned directors, who are not also directors of the holding company, held at the year end, or date of appointment the the following options in ordinary shares of Cater Allen Holdings PLC, granted under the Share Option Scheme:

	At 30th April, 1989	At 30th April, 1988
P.G.Cairns	19,320	23,931
E.R.R.Jewson	5,000	-
M.D.Lee	24,320	24,320
I.T.Liss	12,160	12,160

None of the directors had an interest in the shares of any of the subsidiary companies of Cater Allen Holdings PLC.

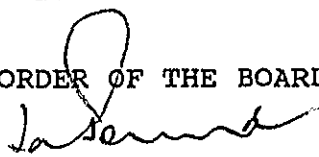
Political and charitable contributions

During the year the company made charitable contributions totalling £23,270.

Auditors

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

BY ORDER OF THE BOARD



J. A. POUND

Secretary

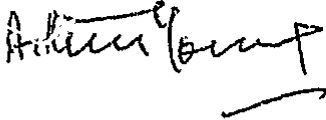
1 King William Street,  
London EC4N 7AU

15th June, 1989

REPORT OF THE AUDITORS TO THE MEMBERS OF  
CATER ALLEN LIMITED

We have audited the accounts on pages 4 to 10 in accordance with approved auditing standards.

In our opinion the accounts comply with the Companies Act 1985 applicable to banking companies.

A handwritten signature in dark ink, appearing to read 'Arthur Young', with a horizontal line underneath.

ARTHUR YOUNG

15TH JUNE, 1989

CATER AYLEN LIMITED

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PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30TH APRIL, 1989

	<u>Notes</u>	<u>1989</u> £'000	<u>1988</u> £'000
Profit for the year after making provision for rebate and taxation	2	2,258	5,180
Dividend paid:			
On ordinary shares - interim		256	1,130
Retained profit for the year		<u>2,002</u>	<u>4,050</u>

The notes on pages 6 to 10 form part of these accounts

CATER ALLEN LIMITED

BALANCE SHEET AT 30th APRIL, 1989

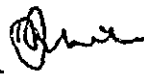
	<u>Notes</u>	<u>1989</u> £'000	<u>1988</u> £'000
CAPITAL AND RESERVES:			
Share capital	3	3,077	3,077
Reserves	4	19,958	17,956
		<u>23,035</u>	<u>21,033</u>
SUBORDINATED LOAN	5	6,000	10,000
CURRENT LIABILITIES:			
Loans secured on group assets	1,569,675		1,891,587
Sundry Creditors, deposits, deferred tax and reserve for contingencies	250,345		217,848
Securities sold but not purchased	11,504		202,169
		<u>1,831,524</u>	<u>2,311,604</u>
Liability for commercial bills subject to repurchase arrangements		0	44,129

J. C. SARCLAY

D. J. WHITE

15th June, 1989

  
DIRECTORS



1,860,559

2,386,766

The notes on pages 6 to 10 form part of these accounts

<u>Notes</u>			<u>1989</u>	<u>1988</u>
		£'000	£'000	£'000
<b>CURRENT ASSETS:</b>				
Cash with bankers and in hand		160		174
Cheques in the course of collection		807		410
		---		---
			967	584
				---
<b>Bills discounted:</b>				
Treasury		51,169		15,072
Local authority		0		19,915
Commercial		523,045		702,610
		-----		-----
			574,214	737,597
				-----
<b>Negotiable certificates of deposit</b>				
Banks		945,713		986,864
Building societies		31,271		227,011
		-----		-----
			976,984	1,213,875
				-----
<b>Listed securities:</b>				
British Government			5,984	5,634
<b>Floating rate notes and local authority mortgages</b>				
			18,301	27,699
<b>Advances, sundry debtors, tax recoverable and other assets</b>				
	6		46,432	272,920
<b>Commercial bills subject to repurchase arrangements</b>				
			0	44,129
<b>FIXED ASSETS</b>				
			192	245
<b>GROUP COMPANIES:</b>				
Subsidiary companies	7	223,233		146,099
Other group companies	8	14,252		(62,016)
		-----		-----
			237,485	84,083
			-----	-----
			1,860,559	2,386,766
			=====	=====

NOTES TO THE ACCOUNTS AT 30th APRIL, 1989

1. Principal accounting policies

(a) The financial statements have been prepared in compliance with the provisions of Section 258 of and Schedule 9 to the Companies Act 1985 applicable to banking companies.

(b) Bills discounted are stated less rebate, being at or under market value.

(c) Listed investments, certificates of deposit, floating rate notes and local authority mortgages are stated at or under market value.

(d) Fixed assets, consisting of motor vehicles, equipment and leasehold premises are stated in the balance sheet at cost less depreciation.

(e) Corporation tax is provided at the current rate on the profit for the year. Taxation deferred by timing differences is provided in full at rates at which it is expected to become payable.

(f) Foreign currency balances have been translated at the rates of exchange ruling at the balance sheet date. All exchange differences are taken to the profit and loss account.

(g) Additional information that may be required under Statements of Standard Accounting Practice is not given as this would require disclosure of information which the company is exempted from disclosing under the provisions of the Companies Act 1985.

## CATER ALLEN LIMITED

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NOTES TO THE ACCOUNTS AT 30TH APRIL, 1989  
(continued)

Profit for the year is stated after charging:

(a) Directors' and higher paid employees' remuneration

	<u>1989</u> £	<u>1988</u> £
Directors:		
Emoluments (including pension scheme contributions)	890,126 =====	782,598 =====

The emoluments (excluding pensions contributions) of directors were as follows:

Chairman and highest paid director	166,860 =====	142,452 =====
------------------------------------	------------------	------------------

Other directors:

	<u>No.</u>	<u>No.</u>
£ 0 - £ 5,000	2	2
£ 25,001 - £ 30,000	1	-
£ 45,001 - £ 50,000	-	1
£ 55,001 - £ 60,000	1	-
£ 80,001 - £ 85,000	1	-
£110,001 - £115,000	-	1
£115,001 - £120,000	-	2
£130,001 - £135,000	-	1
£135,001 - £140,000	1	-
£140,001 - £145,000	1	-
£150,001 - £155,000	1	-

Employees: The emoluments (excluding pension contributions) of employees earning more than £30,000 were as follows:

£30,001 - £35,000	2	3
£35,001 - £40,000	3	1
£40,001 - £45,000	2	4
£45,001 - £50,000	5	7
£50,001 - £55,000	1	2
£55,001 - £60,000	1	2
£65,001 - £70,000	1	-
£70,001 - £75,000	1	-
£80,001 - £85,000	-	2



## CATER ALLEN LIMITED

NOTES TO THE ACCOUNTS AT 30TH APRIL, 1989  
(continued)2. Profit for the year is stated after charging:  
(continued)

	<u>1989</u> <u>£'000</u>	<u>1988</u> <u>£'000</u>
(b) Auditors' remuneration	<u>24</u>	<u>17</u>

## 3. Share capital

	<u>Authorised</u> <u>£'000</u>	<u>1989</u> <u>Issued</u> <u>£'000</u>	<u>Authorised</u> <u>£'000</u>	<u>1988</u> <u>Issued</u> <u>£'000</u>
Unclassified	250	-	250	-
Ordinary shares of £1 each: Fully paid	3,400	3,077 ----- 3,077 =====	3,400	3,077 ----- 3,077 =====

## 4. Reserves

	<u>Share</u> <u>premium</u> <u>account</u> <u>£'000</u>	<u>Capital</u> <u>redemption</u> <u>reserve</u> <u>£'000</u>	<u>Profit</u> <u>and loss</u> <u>account</u> <u>£'000</u>	<u>Total</u> <u>£'000</u>
Balance at 30th April, 1988	235	250	17,471	17,956
Retained profit for year	- ----- 235 =====	- ----- 250 =====	2,002 ----- 19,473 =====	2,002 ----- 19,958 =====

## 5. Subordinated loan

This loan from the holding company is subordinated in the event of a winding up of the company to the claims of all other creditors and is repayable by instalments commencing 2001.

## 6. Sundry debtors

Included in this figure are loans of £66,380 to three directors of the holding company (1988 three directors - £53,010).

## CATER ALLEN LIMITED

## NOTES TO THE ACCOUNTS AT 30TH APRIL, 1989

(continued)

## 7. Subsidiary companies

	<u>1989</u> £'000	<u>1988</u> £'000
Shares at cost	13 223,220	13 146,086
Owing from subsidiary companies	----- 223,233 =====	----- 146,099 =====

Consolidated financial statements have not been prepared as the company is itself a wholly owned subsidiary of another company registered in England. In the opinion of the directors the aggregate value of the investments and debts due by subsidiary companies is not less than £223,233,000.

The company's subsidiaries, all of which are wholly owned and registered in England are:

Cater Allen Nominees Limited  
Cater Allen Investment Management Limited  
Roger Cunliffe Investments Limited  
Rydars Discount Company Limited  
Proudworth Limited

## 8. Other group companies

	<u>1989</u> £'000	<u>1988</u> £'000
Owing from group companies	14,890	11,829
Owing to group companies	(638)	(73,845)
	----- 14,252 =====	----- (62,016) =====

## 9. Contingent liabilities

	<u>1989</u> £'000	<u>1988</u> £'000
(a) In respect of commercial bills re-discounted (including bills sold to the Bank of England under repurchase agreements)	3,131,186 =====	4,577,591 =====

(b) The company has contingent liabilities in respect of guarantees entered into in the normal course of business. No loss is expected to arise therefrom.

NOTES TO THE ACCOUNTS AT 30TH APRIL, 1989  
(continued)

10. Outstanding commitments

There were outstanding commitments in respect of current assets arising in the normal course of business.

11. Ultimate holding company

The company's ultimate holding company is Cater Allen Holdings PLC, which is registered in England.