

383032
Cater Allen Limited

Report and Accounts
30th April, 1992



DIRECTORS' REPORT

The directors submit their report and accounts for the year ended 30th April, 1992.

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 £3,488,000 after making provision for rebate and taxation. Interim dividends on the ordinary shares have 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.

Share capital

The issued ordinary share capital was increased by £16,923,239 as set out in note 3, to strengthen the capital base of the company.

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	(Resigned 13th September, 1991)
D.Jude	(Appointed 1st November, 1991)
M.D.Lee	
I.T.Liss	
N.H.D.Ryder	

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, 1992	At 30th April, 1991 (or date of appointment)
P.G.Cairns	13,510	12,301
M.D.Lee	7,388	7,000
I.T.Liss	6,964	8,333
N.H.D.Ryder	5,317	4,136

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 the following options in the ordinary shares of Cater Allen Holdings PLC, granted under the Approved Share Option Scheme:

	At 30th April, 1992	At 30th April, 1991 (or date of appointment)
P.G.Cairns	-	14,735
M.D.Lee	12,017	12,017

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

Insurance cover in respect of directors and officers is maintained by the group.

Political and charitable contributions

The company made a £8,000 contribution to the Conservative Party. Charitable donations of £26,885 were paid in the year.

Auditors

Ernst & Young have expressed their willingness to continue in office as auditors. In accordance with section 386 of the Companies Act 1985 a resolution has been passed to dispense with the annual reappointment of auditors.

BY ORDER OF THE BOARD

J.A.POUND
Secretary

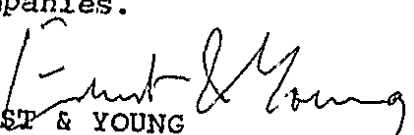
20 Birchin Lane,
London EC3V 9DJ

16th June, 1992

REPORT OF THE AUDITORS TO THE MEMBERS OF
CATER ALLEN LIMITED

We have audited the accounts on pages 4 to 9 in accordance with auditing standards.

In our opinion the accounts have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to banking companies.


ERNST & YOUNG
CHARTERED ACCOUNTANTS
REGISTERED AUDITOR

LONDON
16th JUNE, 1992

CATER ALLEN LIMITED

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PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH APRIL, 1992

	<u>Notes</u>	<u>1992</u> £000	<u>1991</u> £000
Profit for the year after making provision for rebate and taxation	2	3,488	3,453
Undistributed profit brought forward		18,226	20,023
		-----	-----
Dividends paid:		21,714	23,476
On ordinary shares:			
Interims		6,439	5,250
		-----	-----
Retained profit at 30th April, 1992		15,275	18,226
		=====	=====

The notes on pages 6 to 9 form part of these accounts

CATER ALLEN LIMITED

BALANCE SHEET AT 30th APRIL, 1992

	<u>Notes</u>	£000	<u>1992</u> £000	<u>1991</u> £000
CAPITAL AND RESERVES:				
Share capital	3		20,000	3,077
Profit and loss account			15,275	18,226
Other reserves	4		0	485
			-----	-----
			35,275	21,788
			-----	-----
SUBORDINATED LOAN	5		0	10,000

CURRENT LIABILITIES:				
Loans secured on group assets		1,940,713		2,269,419
British Government listed securities sold but not purchased		55,218		216,423
Sundry creditors, deposits, deferred tax and reserve for contingencies		520,662		379,205
Liability on bills sold under repurchase		520,793		0
		-----		-----
			3,037,386	2,865,047
			-----	-----

Approved by the Board of directors


J.C. BARCLAY CHAIRMAN

16th June, 1992

3,072,661 2,896,835
=====

The notes on pages 6 to 9 form part of these accounts

	<u>Notes</u>	<u>1992</u>	<u>1991</u>
	£000	£000	£000
CURRENT ASSETS:			
Cash with bankers and in hand	40		123
Cheques in the course of collection	559		1,000
	---		-----
		599	1,123

Bills discounted:			
Treasury	147,421		153,596
Commercial	1,240,326		613,375
	-----		-----
		1,387,747	766,971

Negotiable certificates of deposit			
Banks	1,318,404		1,786,411
Building societies	192,756		115,255
	-----		-----
		1,511,160	1,901,666

Listed securities:			
British Government		69,780	99,560

Floating rate notes and local authority mortgages			
		21,201	22,099

Advances, sundry debtors, tax recoverable and other assets			
	6	50,293	58,515
		-----	-----
		3,040,780	2,849,934

FIXED ASSETS			
		1,478	1,799

GROUP COMPANIES:			
Subsidiary undertakings	7	36,516	78,168
Other group companies	8	(6,113)	(33,066)
		-----	-----
		30,403	45,102

		-----	-----
		3,072,661	2,896,835
		=====	=====

CATER ALEEN LIMITED

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NOTES TO THE ACCOUNTS AT 30th APRIL, 1992

1. ACCOUNTING POLICIES

The following are the principal accounting policies:

- (a) The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.
- (b) The accounts have been prepared in accordance with the provisions of Section 255A of and Schedule 9 to the Companies Act 1985 applicable to banking companies. Accounting standards are applicable to the accounts except to the extent that their requirements would override the exemptions from disclosure provided in Schedule 9 to the Companies Act 1985. A cash flow statement, as required by Financial Reporting Standard No.1, has not been prepared, since the preparation of such a statement is incompatible with those same exemptions from disclosure.
- (c) Bills discounted are stated less rebate, being at or under market value.
- (d) Listed investments, certificates of deposit, floating rate notes and local authority mortgages are stated at or under market value.
- (e) Open positions in financial futures are recognised by providing for any unrealised losses but profits are taken only when realised.
- (f) Fixed assets, consisting of motor vehicles, equipment and leasehold premises stated in the balance sheet at cost less depreciation.
- (g) Corporation tax is provided at the current rate on the profit for the year. Taxation deferred by timing differences is provided to the extent that it is expected to become payable in the foreseeable future.
- (h) 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.
- (i) The expected cost of pension schemes is charged to the profit and loss account over the service lives of employees. Variations from regular cost are spread over the expected remaining service lives of the relevant employees.

2. PROFIT FOR THE YEAR AFTER TAX

Profit for the year after tax is stated after charging:

	<u>1992</u>	<u>1991</u>
	f	f
(i) Directors' remuneration Emoluments (including pension scheme contributions)	1,440,441	1,160,013
	=====	=====
(ii) Compensation for loss of office	85,000	-
	=====	=====

CATER ALLEN LIMITED

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NOTES TO THE ACCOUNTS AT 30th APRIL, 1992
(Continued)2. PROFIT FOR THE YEAR AFTER TAX
(Continued)

	<u>1992</u> £	<u>1991</u> £
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The emoluments (excluding pensions contributions) of directors were as follows:

Chairman and highest paid director	184,813 =====	194,334 =====
Other directors:		

	<u>No.</u>	<u>No.</u>
£ 0 - £ 5,000	-	1
£ 10,001 - £ 15,000	-	1
£ 30,001 - £ 35,000	1	-
£ 50,001 - £ 55,000	1	-
£ 55,001 - £ 60,000	-	2
£ 60,001 - £ 65,000	1	-
£ 80,001 - £ 85,000	1	-
£ 85,001 - £ 90,000	-	1
£ 95,001 - £100,000	1	-
£100,001 - £105,000	-	1
£130,001 - £135,000	1	-
£155,001 - £160,000	2	-
£160,001 - £165,000	1	-
£165,001 - £170,000	-	1
£170,001 - £175,000	-	1
£175,001 - £180,000	1	-
£190,001 - £195,000	-	1

(iii) Auditors' remuneration	<u>£000</u> 26 ==	<u>£000</u> 24 ==
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3. SHARE CAPITAL

	<u>1992</u> £000	<u>1991</u> £000
Authorised:		
Unclassified	250	250
Ordinary shares of £1 each	20,000 ----- 20,250 =====	3,400 ----- 3,650 =====
Issued and fully paid:		
Unclassified	-	
Ordinary shares of £1 each	20,000 ----- 20,000 =====	3,077 ----- 3,077 =====

During the year 484,650 ordinary shares of £1 each were issued as bonus shares by way of capitalisation of the share premium account and the capital redemption reserve fund. Also 16,438,589 ordinary shares of £1 each were issued at par.

CATER ALLEN LIMITED

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NOTES TO THE ACCOUNTS AT 30th APRIL, 1992 (Continued)

4. OTHER RESERVES

	Share premium account £000	Capital redemption reserve £000	Total £000
Balance at 30th April, 1991	235	250	485
Bonus issue of shares during the year	(235)	(250)	(485)
	---	---	---
Balance at 30th April, 1992	-	-	-
	===	===	===

5. SUBORDINATED LOAN

The subordinated loan was repaid during the year by the subscription by the holding company, the lender, for new Ordinary shares in the Company.

6. SUNDRY DEBTORS

Included in this figure are loans of £83,475 to four directors of Cater Allen Limited and/or the holding company (1991 seven directors - £110,571).

7. SUBSIDIARY UNDERTAKINGS

Investments in subsidiary undertakings are all in subsidiary companies and consist of:-

	<u>1992</u> £000	<u>1991</u> £000
Shares at cost	2	13
Owing from subsidiary companies	36,514	78,155
	-----	-----
	36,516	78,168
	=====	=====

In accordance with Section 228 of the Companies Act 1985, consolidated accounts have not been prepared as the company is itself a wholly owned subsidiary of another company registered in England and Wales. In the opinion of the directors, the aggregate value of the investments and debts due by subsidiary companies is not less than £36,516,000.

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

Name	Activity
Cater Allen Nominees Limited	Nominee company
Cater Allen Investment Management Limited	Leasing
Roger Cunliffe Investments Limited	Equity dealing
Ryders Discount Company Limited	Banking
Proudworth Limited	Leasing

CATER ALLEN LIMITED

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NOTES TO THE ACCOUNTS AT 30th APRIL, 1992 (Continued)

8. OTHER GROUP COMPANIES

	<u>1992</u> £000	<u>1991</u> £000
Owing from group companies	1,461	559
Owing to group companies	(7,574)	(33,625)
	=====	=====
	(6,113)	(33,066)
	=====	=====

9. CONTINGENT LIABILITIES AND COMMITMENTS

	<u>£m</u>	<u>£m</u>
(a) There were contingent liabilities in respect of commercial bills re-discounted (including bills sold to the Bank of England under repurchase agreements)	2,973 =====	1,907 =====

(b) There were commitments in respect of forward rate agreements and financial futures and to acquire current assets, all arising in the normal course of business. No loss is expected to arise therefrom.

10. PENSION SCHEMES

The company participates in a group scheme which is operated for the employees of Cater Allen Holdings PLC and certain of its subsidiaries. The scheme provides benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company and group. The contributions are determined by a qualified actuary on the basis of triennial valuations. The most recent valuation was as at 1st May 1989 and the details of this actuarial valuation are disclosed in the accounts of Cater Allen Holdings PLC.

The pension charge for the year was £366,546, which also equals the total contributions paid to the scheme and represents 15.8% of pensionable salaries.

11. ULTIMATE PARENT COMPANY

The company's ultimate parent company is Cater Allen Holdings PLC, which is registered in England & Wales. The results of Cater Allen Limited are consolidated in the group account of the ultimate parent company, copies of which may be obtained from the registered office, shown on page 2.

CATER ALLEN LIMITED

Not for publication

DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH APRIL 1992

	1992 £	1991 £
Discounts (including certificates of deposit)	222,344,680	325,541,311
Interest and dividends received-taxed	73,447,627	66,875,050
-gross	2,490,454	3,224,102
Less: Loss on realisation of investments	74,356,618	63,951,329
	1,581,463	6,147,823
Write down to market value - Gilts	194,894	(212,293)
Profit on futures	779,812	950,014
(Loss) on future rate agreements	(115,205)	(170,586)
Lloyd's guarantee fees	24,374	19,758
Dividends from subsidiaries	3,100,765	0
	227,910,783	332,276,027
Interest paid less received	214,405,505	318,100,304
	13,505,278	14,175,723
Salaries and other expenses:		
Salaries and N.I.	3,193,436	3,172,925
Pension scheme	478,982	445,583
Donations and subscriptions	42,194	84,029
Auditors' remuneration	48,051	24,095
Premises	1,160,718	1,213,759
Office expenses	2,878,121	2,865,696
	7,801,502	7,806,087
Profit for the year	5,703,776	6,369,636
Taxation - Current year	1,832,330	2,296,313
- Prior year	1,004,189	354
	(2,836,519)	(2,296,667)
	2,867,257	4,072,969
Provision on debt due from subsidiary	620,000	(620,000)
Dividends	3,487,257	3,452,969
	(6,438,589)	(5,250,000)
	(2,951,332)	(1,797,031)
Balance brought forward	18,226,156	20,023,187
Balance carried forward	£15,274,824	£18,226,156