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LEOPOLD JOSEPH HOLDINGS
PUBLIC LIMITED COMPANY

LEOPOLD JOSEPH & SONS
LIMITED

MERCHANT BANKERS

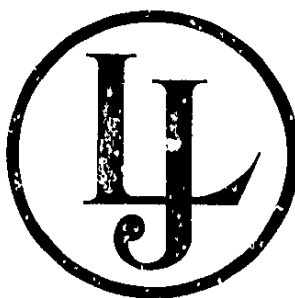
REPORT OF THE DIRECTORS AND
STATEMENT OF ACCOUNTS
For the year ended 31st March 1987

Leopold Joseph & Sons Limited was founded in 1919, since when it has developed its activities on a broad front, becoming firmly established in the major fields of merchant banking.

As a recognised bank, and an accepting house, Leopold Joseph enjoys all the banking privileges common to the most select group of British banks.

Being a small independent merchant bank, we emphasise a flexible, entrepreneurial and individual approach, with each client receiving a personal service and the attention of a director.

We provide a full range of high quality personal and corporate services both in London and Guernsey, and with our short lines of communication decisions can be made quickly and easily.



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LEOPOLD JOSEPH HOLDINGS PUBLIC LIMITED COMPANY

DIRECTORS AND ADVISERS

THE HOLDING COMPANY

DIRECTORS

Robin Herbert *Chairman*
The Rt. Hon. Peter Rees QC, *Joint deputy chairman*
Baron Alexis de Redé (Liechtenstein) *Joint deputy chairman*
Tom Booth FCA
Jacques Letertre (France)

SECRETARY
Richard Walsh FCA

THE BANK

DIRECTORS

Robin Herbert *Chairman and chief executive*
Mrs. Mei Baker FCA
David Fletcher ACIB
Bernard Heymann FCA
Michael Quicke
The Hon. Jonathan Guinness *Non executive*

SECRETARY
Paul Thrussell

REGISTERED OFFICE

31-45 Gresham Street, London EC2V 7EA
Telephone 01-588 2323
Telex 886454-5

AUDITORS

Clark Whitehill
Chartered Accountants
25 New Street Square, London EC4A 3LN

REGISTRARS

Regis Registrars Limited
Balfour House
390-398 High Road, Ilford, Essex IG1 1NQ

LEOPOLD JOSEPH HOLDINGS PUBLIC LIMITED COMPANY

CHAIRMAN'S STATEMENT

Your company has enjoyed a very successful year. It is a great pleasure to report that the published profits for the Group for the year ended 31st March, 1987 were £700,000 compared with £625,000 for the previous year.

It is proposed to increase the final dividend by 10% from 9.563p to 10.519p per share. The effect of this is that shareholders will receive total dividends of 13.331p compared with 12.375p for the previous year.

The results reflect a year in which the business of the Group has advanced across a broad front and are linked with the managerial promotions and changes to which I referred last year. Marketing the increasingly sophisticated services of the bank to selected customers has proved very successful. Both domestic banking and investment activity enjoyed a most satisfactory year. There is a continuing trend for existing customers to use a wider range of our services. In addition, the bank's professional expertise is valued by a customer base that continues to grow.

This additional activity is reflected in the increase in total assets from £139 million to £154 million. Our bank in Guernsey continues to prosper and the growth of customer deposits there is a further reason for an increase in the consolidated balance sheet.

Duménil Leblé, the French financial services group has recently acquired a 24.7% shareholding in your company, following which it was a great pleasure to welcome Mr. Jacques Letertre to your Board. We believe this new relationship will bring significant benefits to our business with Continental Europe and simultaneously we can assist our new shareholders to develop their activities in London. We remain very optimistic about the rewards of this new association with such a successful group.

The recent re-election of a Government committed to sound economic principles has given us encouragement. The opportunities for a small independent merchant bank are considerable and we believe that our dedicated management team can achieve continued success both in London and Guernsey. The current year has started well and I am confident that we have the people and the resources that together will provide the basis for a successful year and further progress thereafter.

Among our strengths lies an ability to work as a cohesive team at all levels. I therefore wish to express my warmest appreciation and thanks to our entire staff in London and Guernsey for their efforts, without which the success of the past year could not have been achieved.

Robin Arhul

LEOPOLD JOSEPH HOLDINGS PUBLIC LIMITED COMPANY

SERVICES

BANKING

Our clients benefit from the continuous support of a range of banking services; tailor-made and integrated, where appropriate, with the other activities of the bank.

The main banking services are:

- current, call and deposit account facilities in sterling and foreign currencies backed with cheque books where required; associated account and funds transmission services,
- credit facilities available in sterling and foreign currencies through overdrafts, advances and acceptance credits, secured and unsecured for a variety of purposes, short and medium term,
- documentary credit facilities, revolving import-export finance, specialist trade services, bill collection and discounting and issuing letters of credit,
- the issue of bonds and guarantees for a variety of purposes,
- guarantees and ancillary banking services for names at Lloyd's including provision of certificate of means, investment management and advice for potential members.

TREASURY AND FOREIGN EXCHANGE

We maintain an active treasury and foreign exchange operation dealing in the world's major currencies and financial instruments. The service is integrated with other areas of the bank and arrangements are available for customers to speak direct with our dealers.

We specialise in the following:

- taking deposits and making loans in sterling and foreign currencies for variable periods,
- dealing in major world currencies for spot and forward settlement,
- trading in short term monetary instruments including certificates of deposit, treasury bills and financial futures,
- advice on currencies,
- funds transmission services and correspondent network worldwide.

INVESTMENT MANAGEMENT

We specialise in investment management for private clients both on and off-shore. Most of the portfolios we manage represent a substantial part of the client's wealth and so require sensitive and responsible management. We offer a highly personalised service with a particular emphasis on the protection of capital. This has led to a policy of currency diversification, a willingness to hold cash in uncertain times and investment in fundamentally undervalued equities. Our aim is to provide a good consistent return with a minimum of risk.

Although we do not provide expert tax advice ourselves, we are happy to introduce our clients to advisers we know and trust, or work with their existing advisers on the management of the portfolio. Our portfolio management service includes all administration associated with the portfolio, and clients are kept well-informed of every transaction within their account together with our reasons for the decision.

Other services provided are:

- management of self-administered pension funds,
- management of Personal Equity Plans,
- corporate nominee and trustee services,
- general investment advice and individual company analysis,
- execution of stock exchange orders.

LEOPOLD JOSEPH HOLDINGS PUBLIC LIMITED COMPANY

SERVICES

CORPORATE FINANCE

The corporate finance department specialises in identifying and seeking creative and original solutions to problems. Leopold Joseph has, over a period of time, developed new approaches to the financial problems of smaller and medium-sized companies. Whilst not under-estimating the importance of ensuring that a transaction is carried out efficiently, we consider that a corporate finance adviser should question the reasons for carrying out the transaction.

We are happy to offer strategic advice and consultation on the following:

- mergers, acquisitions and disposals with full analysis of strategic implications, selection of target companies and banking services (disclosed or not).
- business development consultation.
- formulation of business plans.
- design of capital structure.
- generation of long term financial strategies and profit improvement programmes.

Leopold Joseph will undertake most of the activities traditionally offered by the corporate finance departments of merchant banks with particular emphasis on raising capital through these vehicles:

- new issues for a full stock exchange quote, inclusion on the unlisted securities market or over the counter.
- rights issues or placings.
- development or venture finance for new companies or new products.
- business expansion schemes.
- management buy-outs.
- government supported finance.
- venture funds.

OFFSHORE FINANCIAL SERVICES AND FUNDS

Our offshore bank, Leopold Joseph & Sons (Guernsey) Limited, offers fully confidential banking, treasury and investment services in Guernsey's favourable financial environment. Additional facilities available are:

- trustee services conducted through our Executor and Trustee Company on the island and a trust company incorporated in the British Virgin Islands. We concentrate on providing the best traditional qualities of trusteeship: diligent attention to the beneficiaries' affairs, efficient management of trust assets and continuity of arrangement.
- corporate services, starting with the creation of companies; acting as registrars; carrying out company secretary's duties such as maintaining statutory records, filing returns and organising directors' and shareholders' meetings.
- company administration providing book-keeping services, preparing accounts, filing tax returns and handling receipts and payments.
- the Leopold Joseph International Investment Fund Limited designed for the smaller investor who would like to take advantage of our style of investment management.
- the L. J. & S. Currency Fund Limited which gives clients the opportunity of diversifying their cash investments into several currencies whilst still enjoying the advantage of high interest rates.

LEOPOLD JOSEPH HOLDINGS PUBLIC LIMITED COMPANY

REPORT OF THE DIRECTORS

ACTIVITIES

The company is an investment holding company for the group whose activities are conducted through the subsidiaries set out on pages fourteen and fifteen. A review of the main developments of the company during the year is covered in the chairman's statement on page three.

RESULTS AND DIVIDENDS

The results for the year are shown on page seven. The directors paid an interim dividend of 2.812p per share and recommend a final dividend of 10.519p per share, making a total of 13.331p per share after tax credit.

DIRECTORS

Directors who have served during the year and their interests, including those of their families and trusts, in the ordinary shares of the company were as follows:

	31st March 1987	31st March 1986
Robin Herbert	297,423	297,423
Baron Alexis de Redé	79,827	179,827
Louis Heymann (died 17th June 1986)	—	10,500
The Rt. Hon. Peter Rees	—	—
Tom Booth	—	—

All the above are beneficial holdings except for 259,923 shares which are held by Robin Herbert's family interests. There were no changes in the above holdings between 31st March 1987 and 3rd July 1987. Mr. Jacques Letertre was appointed a director on 26th June 1987. The director retiring by rotation is Tom Booth, who, being eligible, offers himself for re-election.

DONATIONS

During the year the group made donations to charity amounting to £3,566. A contribution of £500 was made to the Conservative Party.

SUBSTANTIAL SHAREHOLDERS

The company has received notice of the following holdings of more than 5% in the ordinary shares of the company as at 22nd June 1987:

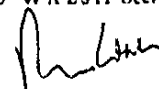
	% of ordinary shares held
Refuge Assurance plc	29.99
Duménil-Leblé S.A.	24.73
Scottish American Investment Company plc	5.06

TAXATION STATUS

As far as the directors are aware, the company is not a close company within the meaning of the Income and Corporation Taxes Act 1970 (as amended).

6th July 1987

By Order of the Board
RICHARD WALSH Secretary



LEOPOLD JOSEPH HOLDINGS PUBLIC LIMITED COMPANY
AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31st March 1987

	Notes	1987	1986
PROFIT OF THE GROUP AFTER TAXATION AND INNER RESERVE TRANSFER (of which £350,680 (1986 — £321,110) has been dealt with in the accounts of the company)		700,000	625,000
<i>Less: DIVIDENDS</i>	1	358,428	325,292
RETAINED EARNINGS for the year	2	£349,571	£299,708

The accompanying notes are an integral part of this Account.

LEOPOLD JOSEPH HOLDINGS PUBLIC LIMITED COMPANY
AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET

31st March 1987

	Notes	1987	1986
Authorised share capital		£5,000,000	£5,000,000
Issued share capital	3	2,628,624	2,628,624
Share premium		2,404,678	2,404,678
Retained earnings	2	3,674,461	3,324,888
Share capital and reserves		8,707,763	8,358,190
Unsecured Loan Stock 1997/2002	4	1,500,000	1,500,000
Subordinated Unsecured Loan Stock 2000/5	5	2,500,000	2,500,000
		12,707,763	12,358,190
Interest of minority shareholders		1,555,371	1,555,471
		14,263,134	13,913,661
Current, deposit and other accounts including taxation and inner reserves		84,883,446	85,083,327
Secured deposits		10,500,000	8,000,000
Certificates of deposit		4,000,000	—
Dividends payable	1	276,512	251,375
		99,659,958	93,334,702
Acceptances, confirmed credits and guarantees for customers		40,098,952	31,782,595
		£154,022,044	£139,030,958

LEOPOLD JOSEPH HOLDINGS PUBLIC LIMITED COMPANY
AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET

31st March 1987

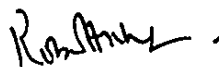
	Notes	1987	1986
Cash in hand, at banks and at call		39,642,899	31,410,644
Certificates of deposit		7,019,329	11,983,248
Treasury bills and bills discounted		3,750,000	3,631,445
Short term loans to financial institutions		22,255,743	18,714,349
British government securities and corporation stock		9,606,546	7,887,663
Quoted preference and loan stocks redeemable up to and including 1992	6	3,789,419	3,779,535
Other securities	7	1,932,550	1,898,826
Loans and advances to customers and other accounts		23,340,034	25,422,563
Investment in associated companies	8	254,029	187,547
Long term investments	9	2,332,543	2,332,543
Customers liabilities for acceptance and confirmed credits		40,098,952	31,782,595
		£154,022,044	£139,030,958

The accompanying notes are an integral part of this Balance Sheet.

Approved by the Board on 6th July 1987 and signed on their behalf.

ROBIN HERBERT *Chairman*

PETER REES *Joint deputy chairman*




LEOPOLD JOSEPH HOLDINGS PUBLIC LIMITED COMPANY

BALANCE SHEET

31st March 1987

	Notes	1987	1986
Authorised share capital			
Ordinary shares of £1 each		£5,000,000	£5,000,000
Issued share capital fully paid		2,628,624	2,628,624
Share premium		2,404,678	2,404,678
Retained earnings	2	4,058	3,805
Share capital and reserves		5,037,360	5,037,107
Unsecured Loan Stock 1997/2002		1,500,000	1,500,000
		6,537,360	6,537,107
CURRENT LIABILITIES			
Dividends	1	276,512	251,375
Creditors		31,513	30,738
Indebtedness to subsidiaries		189,358	283,547
		497,383	565,660
		£7,034,743	£7,102,767

LEOPOLD JOSEPH HOLDINGS PUBLIC LIMITED COMPANY

BALANCE SHEET

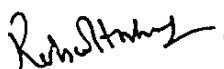
31st March 1987

	Notes	1987	1986
TANGIBLE FIXED ASSET			
Shares in subsidiaries at cost	8	6,766,263	6,766,263
CURRENT ASSETS			
Dividend receivable from subsidiary		187,000	160,000
Debtors		81,480	78,004
British government securities and corporation stock		—	98,500
		268,480	336,504
		£7,034,743	£7,102,767

The accompanying notes are an integral part of this Balance Sheet.

Approved by the Board on 6th July 1987 and signed on their behalf.

ROBIN HERBERT *Chairman*



PETER REES *Joint deputy chairman*



LEOPOLD JOSEPH HOLDINGS PUBLIC LIMITED COMPANY

ACCOUNTING POLICIES

ACCOUNTING DISCLOSURE

The information shown in relation to banking companies in the consolidated accounts is given in the manner authorised for such companies by the Companies Act 1985 and the policy is to set aside sums to inner reserve. The consolidated accounts are prepared in compliance with Section 259 of and Schedule 9 to the Companies Act 1985; the balance sheet of the company is prepared in compliance with Section 228 of and Schedule 4 to that Act. The profit and loss account has been framed on a consolidated basis, advantage being taken of Section 228(7) of the Companies Act 1985.

Additional information that may be required under statements of standard accounting practice is not given where this would necessitate disclosure of information which those companies are exempt from disclosing. Accordingly the directors do not consider that it would be appropriate to present a statement of source and application of funds.

CONSOLIDATION

The consolidated accounts include the accounts of all material subsidiaries made up to 31st March, except Leopold Joseph & Sons (Guernsey) Limited which makes up its accounts to 31st December. The consolidated results of this company in these accounts include nine months of the audited accounts for the year ended 31st December together with its unaudited management accounts for the three months ended 31st March.

Goodwill arising on consolidation is written off against retained earnings.

The equity method of accounting has not been adopted for the company regarded as an associated company because, in the opinion of the directors, its retained earnings do not significantly affect the earnings or assets of the group.

BANKING COMPANIES

Investments, other than long term investments which are held at cost, are valued at market value at 31st March.

Treasury bills, certificates of deposit and bills discounted are stated at their market value at 31st March when held for dealing purposes and otherwise at cost.

Office equipment, motor vehicles and fixtures and fittings are written off in the year of purchase.

Foreign currency is translated at the rates prevailing at 31st March.

Funds received under contracts where there is a liability to provide annual sums over varying periods of years are included under current, deposit and other accounts and are reviewed annually.

Investment banking income and fees are taken into account when received.

ALL COMPANIES

Investments held by non banking companies are stated at their market value at 31st March when held for dealing purposes and otherwise at cost, adjusted to amortise premiums and discounts on short dated stocks over the periods to redemption.

Funds received under contracts where there is a liability to provide annual sums are treated in the manner described for banking companies.

LEOPOLD JOSEPH HOLDINGS PUBLIC LIMITED COMPANY

NOTES TO THE ACCOUNTS

1. DIVIDENDS

	1987	1986
Interim dividend of 2.812p per share [equivalent with related tax credit to 3.961p per share (1986 — 4.017p per share)]	73,917	73,917
Final dividend proposed of 10.519p per share [equivalent with related tax credit to 14.410p per share (1986 — 13.469p per share)]	276,512	251,375
	£350,429	£325,292

2. RETAINED EARNINGS

	1987	1986
Retained earnings for the year in the company	253	(4,182)
Subsidiaries	349,320	303,890
Retained earnings at beginning of the year	3,324,888	3,025,180
	£3,674,461	£3,324,888

Retained earnings at the year end include £426,066 (1986 £751,814) which is not available for distribution as dividends.

No provision has been made for any taxation which could arise if the retained earnings of the overseas subsidiaries were to be distributed.

3. SHARE CAPITAL

Under the terms of the share option schemes authorised at the Extraordinary General Meeting of the company held on 5th September 1986, share options were granted on 107,000 shares exercisable at £4.88 in 1992. None of these were to directors of the company.

4. UNSECURED LOAN STOCK

£1,500,000 9¼% Unsecured Loan Stock 1997/2002 was constituted by a trust deed in favour of The Commercial Union Assurance Company plc as trustees. Interest is payable by equal half-yearly instalments on 6th March and 6th September in each year. At 31st March 1987 £786,955 of this stock was held by a subsidiary company (1986 £761,955).

5. SUBORDINATED UNSECURED LOAN STOCK

£2,500,000 12½% Subordinated Unsecured Loan Stock 2000/5 was constituted by a trust deed in favour of Refuge Assurance plc. Interest is payable by equal half-yearly instalments on 1st January and 1st July in each year.

6. QUOTED PREFERENCE AND LOAN STOCKS

	1987	1986
Redeemable up to and including 1992		
Market value £3,587,275 (1986 £3,330,622)	£3,789,419	£3,779,535

LEOPOLD JOSEPH HOLDINGS PUBLIC LIMITED COMPANY

NOTES TO THE ACCOUNTS

7. OTHER SECURITIES

	1987	1986
Quoted — market value £1,772,988 (1986 £1,527,085)	1,711,116	1,476,061
Unquoted — directors' valuation £239,434 (1986 £422,765)	221,434	422,765
	£1,932,550	£1,898,826

8. SUBSIDIARY AND ASSOCIATED COMPANIES

Incorporated and operating in the United Kingdom unless otherwise stated		Percentage of Ordinary Shares held by Relevant Parent Company	
SUBSIDIARIES		1987	1986
Held by the company			
Leopold Joseph & Sons Limited	Merchant bankers	100%	100%
Leopold Joseph Investments Limited	Investment holding	100%	100%
St. Regis Dealing Company Limited	Investment dealing	100%	100%
Held by Leopold Joseph & Sons Limited			
Alpha Investments Limited	Investment dealing	100%	100%
Brineglow Limited	Investment company	100%	100%
Carlbite Investments Limited	Investment dealing	100%	100%
Chandos Holdings Limited	Investment holding	100%	100%
Green Highlander Limited	Investment holding	100%	100%
Leojay Holdings Limited	Investment holding	100%	100%
Leopold Joseph Nominees Limited	Corporate trustee and nominee	100%	100%
Leopold Joseph Trustee Limited	Corporate trustee	100%	100%
Incorporated and operating in Guernsey			
Leopold Joseph & Sons (Guernsey) Limited	Merchant bankers	100%	100%
Lettaros Limited	Management company	100%	100%
Phesoy Registrars Limited	Registrars	100%	100%
Held by Leopold Joseph & Sons (Guernsey) Limited			
Incorporated and operating in Guernsey			
Colombelle Limited	Investment holding	'A' Shares 100%	'A' Shares 100%
L'Ecosaise Limited	Investment holding	'B' Shares Nil	'B' Shares Nil
Leopold Joseph & Sons (Guernsey) Executor and Trustee Company Limited	Corporate trustee	100%	100%
Leopold Joseph & Sons (Guernsey) Nominees Limited	Corporate trustee and nominee	100%	100%
Poulain Limited	Property dealing	100%	100%
Incorporated and operating in The British Virgin Islands			
Leopold Joseph (BVI) Trust Company Limited	Trust company	100%	100%

LEOPOLD JOSEPH HOLDINGS PUBLIC LIMITED COMPANY

NOTES TO THE ACCOUNTS

8. SUBSIDIARY AND ASSOCIATED COMPANIES - CONTINUED

		Percentage of Ordinary Shares held by Relevant Parent Company	
		1987	1986
SUBSIDIARIES			
Held by Leojay Holdings Limited			
Sparsan Investment Company Limited	<i>Investment holding</i>	100%	100%
Held by Leopold Joseph Investments Limited			
Commercial Shop and Office Holdings Limited	<i>Property and investment holding</i>	100%	100%
Incorporated and operating in Jersey			
Blackdog Investments Limited	<i>Investment dealing</i>	100%	100%
ASSOCIATED COMPANY			
Unquoted company			
Marlborough Rare Books Limited	<i>Antiquarian book dealing</i>		
30,000 Ordinary shares of £1 each		46.2%	46.2%
10,000 7½% 'A' cumulative preference shares of £1 each		—	—
130,000 10% cumulative redeemable preference shares of £1 each		100%	100%

9. LONG TERM INVESTMENTS

	1987	1986
Leopold Joseph & Sons (Guernsey) Limited		
Dated government securities held by subsidiaries	2,332,209	2,332,209
Other companies		
Unquoted investments	334	334
	£2,332,543	£2,332,543

Dated government securities held at cost by subsidiaries of Leopold Joseph & Sons (Guernsey) Limited are intended to be held until maturity. Income arising from the investments held by these subsidiaries is attributable to the group and capital profits to the minority shareholders. The market value of these investments at 31st March 1987 was £2,751,667 (1986 £2,730,230).

LEOPOLD JOSEPH HOLDINGS PUBLIC LIMITED COMPANY

NOTES TO THE ACCOUNTS

10. BANKING SUBSIDIARY COMPANY LOANS TO DIRECTORS

The aggregate amount of loans outstanding at 31st March 1987 was £24,512 (1986 £173,022) relating to one (1986 one) director.

11. DIRECTORS' EMOLUMENTS

	1987	1986
Emoluments of directors of the parent company payable by the group:		
Fees	15,500	12,350
Other remuneration (including pension contributions)	75,506	113,904
	£91,006	£126,254
Chairman's emoluments	43,269	16,233
Emoluments of the highest paid director (excluding the chairman)	11,809	67,453
The following table shows directors, excluding the chairman and highest paid director, whose emoluments during the year were within the bands stated.		
Less than £5,000	2	4
£5,001- £10,000	1	—

12. AUDITORS' REMUNERATION

	1987	1986
Group (Parent £5,000-1986 £5,000)	£60,000	£60,000

13. CONTINGENT LIABILITIES

There are contingent liabilities in respect of:

(a) Bills re-discounted

(b) Contracts for forward transactions in foreign currencies entered into in the ordinary course of business.

(c) Unquantified claims to set aside Agreements to provide annual sums, and to receive damages and/or compensation which appear from the pleadings to amount to some £4 million. In the event of the claims being successful, such liability could be met from amounts included under current, deposit and other accounts in respect of these Agreements and the group's undisclosed reserves. The directors believe the claims to be without justification and, based on the latest information available and legal advice received, the directors believe they will be successfully defended.

LEOPOLD JOSEPH HOLDINGS PUBLIC LIMITED COMPANY


REPORT OF THE AUDITORS

To the members of Leopold Joseph Holdings Public Limited Company.

We have audited the accounts on pages seven to sixteen in accordance with approved auditing standards.

In our opinion the balance sheet of the company gives a true and fair view of the state of affairs at 31st March 1987 and complies with the Companies Act 1985; and the consolidated accounts have been properly prepared in the manner authorised for banking companies under the Companies Act 1985.

London
6th July 1987


CLARK WHITEHILL
Chartered accountants

LEOPOLD JOSEPH & SONS LIMITED
AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET OF THE BANK

31st March 1987

	1987	1986
Authorised share capital	£5,000,000	£5,000,000
Issued share capital	5,000,000	5,000,000
Capital reserves	884,534	884,534
Retained earnings	4,310,872	3,990,059
Share capital and reserves	10,195,406	9,874,593
Subordinated Unsecured Loan Stock 2000/5	2,500,000	2,500,000
Interest of minority shareholders	1,555,371	1,555,471
	14,250,777	13,930,064
Amounts due to group companies	427,793	698,762
Current, deposit and other accounts including taxation and inner reserves	84,771,199	85,028,709
Secured deposits	10,500,000	8,000,000
Certificates of deposit	4,000,000	—
Proposed ordinary dividend	187,000	—
	99,458,199	93,028,709
Acceptances, confirmed credits and guarantees for customers	40,098,952	31,782,595
	£154,235,721	£139,440,130

The assets and liabilities in the above balance sheet have been incorporated in the Leopold Joseph Holdings Public Limited Company consolidated balance sheet on pages eight and nine

The above balance sheet has been extracted from the full accounts of Leopold Joseph & Sons Limited, a copy of which will be filed with the Registrar of Companies and upon which the auditors have given an unqualified report.

LEOPOLD JOSEPH & SONS LIMITED
AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET OF THE BANK

31st March 1987

	1987	1986
Cash in hand, at banks and at call	39,642,899	31,410,644
Certificates of deposit	7,019,329	11,983,248
Treasury bills and bills discounted	3,750,000	3,631,445
Short term loans to local authorities and financial institutions	22,255,743	18,714,349
British government securities and corporation stock	9,606,546	7,887,663
Quoted preference and loan stocks redeemable up to and including 1992	3,789,419	3,779,535
Other securities	296,218	804,361
Loans and advances to customers and other accounts	23,110,489	25,204,689
Amounts due from group companies	2,233,424	1,875,381
Associated company	100,493	34,011
Long term investments	2,332,209	2,332,209
Customers liabilities for acceptance and confirmed credits	40,098,952	31,782,595
	£154,235,721	£139,440,130

LEOPOLD JOSEPH HOLDINGS PUBLIC LIMITED COMPANY

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN

That the twenty fourth Annual General Meeting of the company will be held on Friday, 4th September 1987 at the Haberdashers' Hall, Staining Lane, London EC2 at 12.15 p.m. for the following purposes:

1. To receive the directors' report and audited accounts for the year ended 31st March 1987.
2. To declare a dividend.
3. To re-elect Tom Booth who retires by rotation.
4. To elect Jacques Lerettré, who was appointed on 26th June 1987.
5. To re-appoint Clark Whitehill as auditors for the ensuing year.
6. To authorise the directors to fix the auditors' remuneration.
7. To transact any other business of an Annual General Meeting.

By order of the Board
RICHARD WALSH *Secretary*
6th July 1987

A member entitled to attend and vote at the above-mentioned meeting is entitled to appoint a proxy to attend and vote on a poll instead of him. A proxy need not be a member of the company.

Copies of directors' service contracts, details of transactions of the directors and their family interests in the capital of the company during the twelve months prior to the date of the above notice, and particulars of transactions, arrangements and agreements between the company and its directors during the period 22nd December 1980 to 31st March 1987 are available for inspection at the company's registered office between the 7th July 1987 and the 3rd September 1987 during usual business hours on any weekday (Saturdays excluded) and between 12 noon and during the meeting on 4th September 1987 at the Haberdashers' Hall, Staining Lane, London EC2.

Directors seeking re-election do not have service contracts with the company. There were no disclosable contracts or arrangements entered into during the year.