

ANCOMASS LIMITED
AND SUBSIDIARY COMPANIES

DIRECTORS' REPORT AND ACCOUNTS

31ST DECEMBER, 1984

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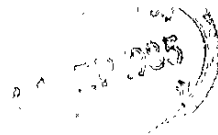
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ANCOMASS LIMITED
AND SUBSIDIARY COMPANIES

DIRECTORS' REPORT AND ACCOUNTS

31ST DECEMBER, 1984

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ANCOMASS LIMITED
AND SUBSIDIARY COMPANIES

Directors

Rt.Hon. G.Rippon, Q.C., M.P. - Chairman
B.H.Buckley
M.H.Newman
K.P.Ney
A.N.Solomons
A.G.O.Walker
D.J.G.White

Secretary

R.Fiddemont

REPORT OF THE DIRECTORS

The directors submit their report and the statement of accounts for the year ended 31st December, 1984.

Principal activity :

The company is an investment holding company, which holds the whole of the issued share capital of Singer & Friedlander Holdings Limited and of that company's subsidiary, Singer & Friedlander Limited, a recognised bank under the Banking Act 1979.

The principal activity of the Singer & Friedlander group is merchant banking and related activities. There has been no significant change in these activities during 1984.

Ultimate holding company :

On 30th April, 1984, Britannia Arrow Holdings PLC acquired the controlling interest in Ancomass Limited from European Ferries Plc.

Share capital:

On 2nd April, 1984 the authorised share capital of the company was increased from £9,000 to £12,700. At the same date, an additional 7400 new 'B' ordinary shares of 50 pence each were issued at par to existing 'B' ordinary shareholders by way of capitalisation of reserves. The 'B' ordinary shares already in issue at that date were subsequently converted into Deferred shares.

On 30th April, 1984 the authorised share capital was further increased to £12,900 by the creation of 400 'D' ordinary shares of 50 pence each. The Directors of Ancomass Limited have granted options to subscribe for a total of 310 'D' ordinary shares to certain employees within the Singer & Friedlander group under the terms of The Ancomass Executive Share Option Scheme, a scheme established by the company on 26th July, 1984.

The company has also issued £6,700,000 Interest-free Irredeemable Subordinated Unsecured Loan Stock at par during the period.

11 SEP 1985

REPORT OF THE DIRECTORSContinued

Results and dividends :

The results for the year are set out in the profit and loss account on page 5 .

The Directors declared an interim dividend of £6,700,000 paid to the holders of the 'B' ordinary shares on 2nd April, 1984 (1983 : £ nil). No interim dividend was declared on the 'A' ordinary shares on that date (1983 - £ nil).

The Directors subsequently declared a further interim dividend payable on 31st December, 1984 to both classes of shareholder and totalling £1,440,000 (1983 - £ nil).

The Directors do not recommend the payment of a final dividend for the year. (1983 - £ nil).

Fixed assets:

The value of fixed assets held by various of the company's property subsidiaries, and comprising industrial buildings held for long term investment purposes, has increased during the year as indicated in note 11 to the accounts.

Directors:

The names of the directors of the company at the date of this report are shown at the head of the report.

Messrs G.Rippon, M.H.Newman, K.P.Ney and D.J.G.White were appointed directors of the company on 30th April, 1984. The remaining directors served throughout the year.

Mr.K.Siddle also served as a director of the company until his resignation on 30th April, 1984. Mr.A.R.J.Dyas served from his appointment on 30th March, 1984 until his resignation from the board on 30th April, 1984.

In accordance with the provisions of the articles of association of the company, at the forthcoming annual general meeting Messrs.A.G.O.Walker and B.H.Buckley will retire and, being eligible, offer themselves for re-election.

Directors' interests in shares :

The directors have beneficial interests in the shares of Ancomass Limited as follows :

	<u>31.12.84</u>		<u>31.12.83</u>	
	<u>'A' Ord shares</u>	<u>Deferred shares</u>	<u>'A' Ord. shares</u>	<u>Deferred shares</u>
A.N.Solomons	48	48	48	48
B.H.Buckley	42	42	42	42
A.G.O.Walker	42	42	42	42

REPORT OF THE DIRECTORSContinued

Messrs. G.Rippon, M.H.Newman, K.P.Ney and D.J.G.White had no interests in the shares of Ancomass Limited at 31st December, 1984 or at the date of their appointment to the board of directors of the company on 30th April, 1984.

The directors were beneficially interested in the following shares and options of Britannia Arrow Holdings PLC at 31st December, 1984. Their interests at 30th April, 1984 are shown in brackets.

	Ordinary Shares Fully Paid	9% Convertible Unsecured Loan Stock 1995/2000	Options to subscribe for Ordinary Shares	Britannia Sharesave Option Scheme
Rt.Hon.G. Rippon	250,000 (200,000)	-	- (-)	-
B.H.Buckley	- (-)	-	- (-)	-
M.H.Newman	100,000 (100,000)	-	750,000 (750,000)	10,818
K.P.Ney	250,000 (250,000)	-	- (-)	-
A.N. Solomons	- (-)	£20,000	- (-)	-
A.G.O. Walker	- (-)	-	- (-)	10,818.
D.J.G. White	- (-)	-	75,000 (75,000)	5,409

Charitable and other donations :

The Singer & Friedlander group donated the sum of £17,419 (1983 : £14,879) for charitable purposes during the year and a donation of £2075 (1983 : £5,500) was made to the Conservative Party. In addition the group contributed £1000 (1983 : £1000) to the Economic League.

Employees:

The average number of persons, including directors, employed by the Singer & Friedlander group (excluding those working wholly or mainly outside the United Kingdom) during the year was 200 (1983: 214) and the aggregate remuneration paid to them in respect of their services for the year was £ 3,374,776 (1983: £3,100,215).

REPORT OF THE DIRECTORS

Continued

Auditors:

A resolution for the re-appointment of Peat Marwick Mitchell & Co. as auditors of the company will be proposed at the forthcoming annual general meeting.

BY ORDER OF THE BOARD



Secretary

Registered Office:

21 New Street,
Bishopsgate,
London, EC2M 4HR

Dated: 28 March 1985

ANCOMASS LIMITED
AND SUBSIDIARY COMPANIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER, 1984

	<u>Note</u>	<u>1984</u>	<u>1983</u>
GROUP PROFIT BEFORE TAXATION and after transfer to contingency reserve	2	£7,067,622	£5,962,565
Taxation	1(vi)	<u>1,870,988</u>	<u>742,861</u>
GROUP PROFIT AFTER TAXATION	2	5,196,634	5,219,704
Dividends paid from profit for the year	5	<u>1,440,000</u>	-
GROUP PROFIT AFTER TAXATION AND DIVIDENDS FROM PROFIT FOR THE YEAR		3,756,634	5,219,704
REPRESENTING:			
Ancomass Limited		£ (3,805)	£ 146
Subsidiary companies		<u>3,320,958</u>	<u>4,237,158</u>
	6	3,317,153	4,237,304
Companies not consolidated	11	<u>439,481</u>	<u>982,400</u>
		<u>£3,756,634</u>	<u>£5,219,704</u>

The notes on pages 8 to 15 form part of these accounts.

	<u>Note</u>	<u>1984</u>	<u>1983</u>
Issued share capital of Ancomass Limited		114,223,853	105,360,712
Reserves			
Unsecured loan stock		14,639,561	13,495,960
Current, deposit and other accounts, including taxation and contingency reserves	7	62,984,417	65,646,052
	8	209,378,560	215,099,037
	10	10,282,345	7,500,609
	9	7,063,921	4,004,297
		<u>418,572,657</u>	<u>411,046,667</u>
	14	139,330	139,330
	11	4,165,364	4,165,364
Acceptances for customers		<u>109,196,458</u>	<u>93,075,208</u>
		<u>£532,073,809</u>	<u>£508,426,569</u>

The notes on pages 8 to 15 from part of 1

CONSOLIDATED BALANCE SHEET

	<u>Note</u>	<u>1984</u>	<u>1983</u>
Issued share capital of Ancomass Limited	4	11,700	8,000
Reserves	6	37,086,094	37,678,775
Unsecured loan stock	12	<u>6,700,000</u>	<u>-</u>
		43,797,794	37,686,775
Current, deposit and other accounts, including taxation and contingency reserves		379,079,557	377,664,586
Acceptances for customers		<u>109,196,458</u>	<u>93,075,208</u>
		<u>£532,073,809</u>	<u>£508,426,569</u>

The notes on pages 8 to 15 form part of these accounts.

HEET AT 31ST DECEMBER, 1984

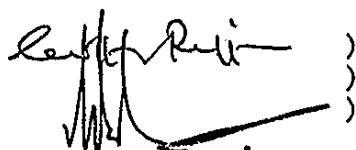
	<u>Note</u>	<u>1984</u>	<u>1983</u>
Cash in hand with bankers, money at call and short notice		114,223,853	105,300,712
Bank certificates of deposit bills discounted		14,639,561	13,495,960
Other securities	7	62,984,417	65,646,052
Advances to customers and other accounts	8	209,378,560	215,099,037
Amounts due from, less due to, group companies	10	10,282,345	7,500,609
Assets leased to customers at cost less depreciation	9	7,063,921	4,004,297
		<u>418,572,657</u>	<u>411,046,667</u>
Fixed asset	14	139,330	139,330
Investments in subsidiary companies not consolidated	11	4,165,364	4,165,364
Liabilities of customers for acceptances		109,196,458	93,075,208
		<u>£532,073,809</u>	<u>£508,426,569</u>

ANCOMASS LIMITEDBALANCE SHEET AT 31ST DECEMBER, 1984

	Note	1984	1983
FIXED ASSETS			
Investment in subsidiary companies	11	£30,493,243	£23,250,000
Listed security	7	<u>5,111</u>	<u>4,996</u>
		30,498,354	23,254,996
Current assets:			
Income tax recoverable		£171	£171
Cash at bank	10	10,163	5,428
Amounts due from subsidiary companies	10	<u>-</u>	<u>1,500</u>
		<u>10,334</u>	<u>7,099</u>
Current liabilities:			
Corporation tax		£1,072	£ -
Creditors falling due within one year		<u>7,653</u>	<u>460</u>
		<u>8,725</u>	<u>460</u>
Net current assets		<u>1,609</u>	<u>6,639</u>
		<u>£30,499,963</u>	<u>£23,261,635</u>
Represented by:			
Share capital	4	£11,700	£8,000
Capital reserves	6	23,248,825	23,252,525
Revenue reserves	6	539,438	1,110
Unsecured loan stock	12	6,700,000	-

The notes on pages 8 to 15
form part of these accounts.

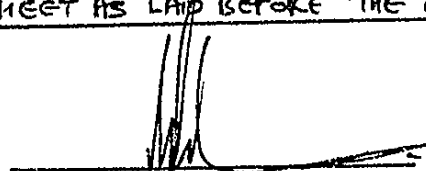
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directors on 28 March 1985

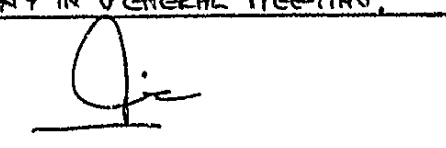
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Directors

£30,499,963

£23,261,635

CERTIFIED A TRUE COPY OF THE LAST PROFIT AND LOSS STATEMENT AND
BALANCE SHEET AS LAID BEFORE THE COMPANY IN GENERAL MEETING.


Director


Secretary

ANCOMASS LIMITED
AND SUBSIDIARY COMPANIES

NOTES ON THE ACCOUNTS

1. ACCOUNTING POLICIES

(i) Banking company:

The accounts of the principal wholly-owned subsidiary company, Singer & Friedlander Limited, have been prepared on the basis applicable to banking companies under the Companies Acts 1948 to 1981; in particular profits are stated after transfer to undisclosed contingency reserves. Accordingly, these accounts have been prepared in accordance with Section 152A of and Schedule 8A of the 1948 Act. As the statutory exemptions from disclosure apply to the major part of the group, Statements of Standard Accounting Practice have not been complied with where this would require disclosure of such exempted information.

(ii) Consolidated accounts:

The balance sheets of all subsidiary companies have been consolidated with the exception of certain companies whose activities relate to property. The equity investment in these companies is shown in the balance sheet at its net asset value on the date of acquisition and their assets and liabilities are summarised in Note 11 to these accounts. The consolidated profit and loss account includes the results of all subsidiaries, including the property subsidiaries. In the opinion of the directors, this treatment results in a fairer presentation of the financial position of the banking group, where the consolidation of such assets and liabilities, and the inclusion of such companies' retained profits in group reserves, would be inappropriate in the context of the capital base available to support banking operations.

(iii) Investments:

In respect of the dealing portfolio, listed investments are shown at cost or lower market value and unlisted investments at cost or lower directors' valuation.

Fixed Interest Securities not held as part of the dealing portfolio are held for the longer term. They are redeemable at fixed dates and are shown in the balance sheet at cost adjusted to give effect to the amortisation of the premium or discount on purchase over the period to redemption.

Investment income received has been grossed up for the income tax suffered and the applicable tax credit has been added to franked income.

(iv) Capital equipment:

Capital expenditure in the banking group is written off against the profits for the year in which the expenditure is incurred.

ANCOMASS LIMITED
AND SUBSIDIARY COMPANIES

NOTES ON THE ACCOUNTS
(continued)

1. ACCOUNTING POLICIES (continued)

(v) Rates of exchange:

Assets and liabilities in foreign currencies are expressed in sterling at exchange rates ruling at the balance sheet date.

(vi) Taxation:

Taxation represents the current and deferred liabilities in respect of the profits for the year, adjusted for under or over provisions in previous years, less amounts transferred to contingency reserve. Full provision is made, at current rates of taxation, for all timing differences except where, in the directors' opinion, these are likely to continue for the foreseeable future. In particular the tax charge for the current year has been reduced by approximately £1,241,000 in respect of capital allowances on investment properties for which deferred tax has not been provided as they are held for long term investment purposes. No provision is made for the additional taxation which might arise on the distribution of the retained earnings of certain overseas subsidiaries.

2. GROUP PROFIT

The group profit after taxation includes £1,436,195 (1983: £146) which is dealt with in the accounts of Ancomass Limited, and is stated before receipt of the dividend of £7,242,133 paid out of brought forward reserves (see Note 5). The group profit before taxation includes £989,553 (1983: £900,012) relating to companies not consolidated.

3. ULTIMATE HOLDING COMPANY

The ultimate holding company of Ancomass Limited is Britannia Arrow Holdings PLC (incorporated in Great Britain).

4. SHARE CAPITAL

	<u>Authorised</u>	<u>Issued and fully paid</u>
'A' ordinary shares of 50p	£ 300	£ 300
'B' ordinary shares of 50p	3,700	3,700
'C' ordinary shares of 50p	1,000	-
'D' ordinary shares of 50p	200	-
Deferred shares of 50p	7,700	7,700
	<u>£12,900</u>	<u>£11,700</u>

On 23rd August, 1984 the Company granted options to subscribe for 310 'D' ordinary shares of 50 pence each in the Company at a subscription price of £7,250 per share. The last date on which notice of exercise of the options can be given is 24th July, 1991.

5. DIVIDENDS

During the year the company received a dividend of £7,242,133 out of reserves of the group brought forward at 1st January, 1984 and paid a dividend of £6,700,000. In addition one of the unconsolidated subsidiaries paid a dividend of £1,600,000, again out of reserves brought forward at the beginning of the year, up to its immediate parent a consolidated subsidiary. The impact of these dividends on the reserves of the group is shown in note 6 below.

ANCOMASS LIMITED
AND SUBSIDIARY COMPANIES

NOTES ON THE ACCOUNTS
(continued)

6. RESERVES

	<u>Company</u>	<u>Consolidated Subsidiary Companies</u>	<u>Group</u>
Capital reserves			
Share premium account: at 1st January, 1984	£23,252,525	£ -	£23,252,525
Utilisation by issue of share capital	(3,700)	-	(3,700)
at 31st December, 1984	23,248,825	-	23,248,825
Capital reserve arising on consolidation at beginning and end of year	-	3,816,844	3,816,844
Total capital reserves at 31st December, 1984	£23,248,825	£3,816,844	£27,065,669
Revenue reserves at 1st January, 1984	£1,110	£10,608,296	£10,609,406
Translation differences arising on consolidation of overseas subsidiaries	-	1,193,866	1,193,866
Dividend received/(paid)	7,242,133	(7,242,133)	-
Dividend paid	(6,700,000)	-	(6,700,000)
Dividend received from unconsolidated subsidiaries	-	1,600,000	1,600,000
	543,243	6,160,029	6,703,272
Profit retained	(3,805)	3,320,958	3,317,153
Revenue reserves at 31st December, 1984	£539,438	£9,480,987	£10,020,425
Total reserves at 31st December, 1984	£23,788,263	£13,297,831	£37,086,094

7. OTHER SECURITIES

The mid-market value of listed investments and directors' valuation of unlisted investments are as follows:

	<u>The company</u>			
	<u>1984</u>		<u>1983</u>	
	<u>Book value</u>	<u>Valuation</u>	<u>Book value</u>	<u>Valuation</u>
U.K. Government Security	£5,111	£5,736	£4,996	£5,948

ANCOMASS LIMITED
AND SUBSIDIARY COMPANIES

NOTES ON THE ACCOUNTS
(continued)

7. OTHER SECURITIES (continued)

	<u>The Group</u>			
	<u>1984</u>	<u>1983</u>	<u>1984</u>	<u>1983</u>
	<u>Book value</u>	<u>Valuation</u>	<u>Book value</u>	<u>Valuation</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
U.K. Government Securities	12,805,111	12,805,736	18,204,996	18,205,948
Listed in Great Britain	16,086,271	17,137,489	14,433,857	16,147,625
Listed Overseas	13,342,048	14,290,700	14,337,058	14,884,509
Unlisted	20,750,987	22,177,648	18,670,141	19,856,825
-	62,984,417	66,411,573	65,646,052	69,094,907

Of the U.K. Government Securities, £12,800,000 (1983: £18,200,000) are subject to a minimum period of 3 months notice for realisation.

8. ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS

This item includes commodities which are held in respect of forward sales contracts to the extent of £15,069,712 (1983: £14,555,628) for the group and £NIL (1983: £NIL) for the company. The banking group has made certain advances which are matched by deposits, on terms such that it incurs no exposure. These items are excluded from the balance sheet and amounted to £14,630,317 (1983: £9,609,571) at 31st December, 1984.

9. ASSETS LEASED TO CUSTOMERS

Leased assets are stated at cost £10,925,973 (1983: £7,094,560) less aggregate depreciation £3,862,072 (1983: £3,090,263). The deferred taxation of the leasing subsidiary amounting to £2,248,207 (1983: £1,703,203) in respect of these assets has been included in "current, deposit and other accounts".

10. GROUP COMPANY BALANCES

	<u>The Company</u>		<u>The Group</u>	
	<u>1984</u>	<u>1983</u>	<u>1984</u>	<u>1983</u>
Amounts due from:				
Subsidiary companies	10,163	6,928	-	-
Unconsolidated Singer & Friedlander Group subsidiaries	-	-	10,163,240	8,174,645
Group Holding Company	-	-	800,000	-
Amounts due to:				
Unconsolidated Singer & Friedlander Group	-	-	(680,895)	(674,036)
	<u>£10,163</u>	<u>£6,928</u>	<u>£10,282,345</u>	<u>£7,500,609</u>

The above balances, in respect of the Group, exclude an amount of £NIL (1983: £4,970,163) advanced to unconsolidated subsidiaries.

ANCOMASS LIMITED
AND SUBSIDIARY COMPANIES

NOTES ON THE ACCOUNTS
(continued)

11. INVESTMENT IN SUBSIDIARY COMPANIES

The investment of the company in its subsidiary companies is stated at cost which reflects the value attributable to the ordinary shares issued by the company in connection with the acquisition of the Singer & Friedlander Group by a former ultimate holding company together with the cost of additional shares issued by a subsidiary in 1984. The group investment in unconsolidated subsidiary companies is stated at cost, being the net asset value as at 2nd October, 1980. In the opinion of the directors the net asset value of these companies at 31st December, 1984 is not less than the amount at which it is stated in the consolidated balance sheet.

	<u>The group</u>	
	<u>1984</u>	<u>1983</u>
Investment in unconsolidated subsidiary companies at cost	<u>£4,165,364</u>	<u>£4,165,364</u>

The group's interest in all unconsolidated subsidiaries is 100% and their balance sheets may be consolidated as follows:

	<u>1984</u>	<u>1983</u>
Investment properties at valuation	£16,915,001	£14,935,129
Properties in the course of development at cost	614,407	565,000
Properties occupied by the group at cost less depreciation	7,599,770	7,678,121
Investment in associated company	41,511	888,964
Net current assets/(liabilities)	(946,481)	196,218
Net group indebtedness (see note 10)	(9,482,345)	(7,500,609)
Deferred taxation	(1,197,854)	(1,822,273)
Loans (secured)	<u>(3,309,590)</u>	<u>(3,734,045)</u>
	<u>£10,234,419</u>	<u>£11,206,505</u>
Represented by:		
Share capital	£100,200	£100,200
Reserves	<u>10,134,219</u>	<u>11,106,305</u>
	<u>£10,234,419</u>	<u>£11,206,505</u>

Investment properties are stated at the open market values placed on them by a director of the Company, who is an associate member of The Royal Institution of Chartered Surveyors.

ANCOMASS LIMITED
AND SUBSIDIARY COMPANIES

NOTES ON THE ACCOUNTS
(continued)

11. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

The movement on reserves can be reconciled as follows:

	<u>Investment revaluation reserve</u>	<u>Other reserves</u>	<u>Total</u>
Balance at 1st January, 1984	£2,405,086	£8,701,219	£11,106,305
Revaluation surplus	10,942	-	10,942
Profit for year	-	439,481	439,481
Dividend paid	-	(1,600,000)	(1,600,000)
Translation difference arising on consolidation of overseas subsidiaries	-	177,491	177,491
Balance at 31st December, 1984	<u>£2,416,028</u>	<u>£7,718,191</u>	<u>£10,134,219</u>

At 31st December, 1984 there were capital commitments in respect of contracts entered into which amounted to approximately £707,000 (1983: £1,975,000).

Capital expenditure authorised but not contracted for at 31st December, 1984 amounted to £NIL (1983: £420,000).

12. LOAN STOCK

On 30th April, 1984 the Company issued £6,700,000 Interest-free Irredeemable Subordinated Unsecured Loan Stock at par to Britannia Arrow Holdings PLC.

ANCOMASS LIMITED
AND SUBSIDIARY COMPANIES

NOTES ON THE ACCOUNTS
(continued)

13. SUBSIDIARY COMPANIES

At 31st December, 1984 the company owned all the issued share capital of Singer & Friedlander Holdings Limited and 44.61% of the issued share capital of Singer & Friedlander Limited; the balance of 55.39% is held by Singer & Friedlander Holdings Limited and both companies are registered in England. The principal subsidiary companies of Singer & Friedlander Limited, all of which are wholly owned, directly or through other subsidiaries are:

	<u>Country of incorporation/ registration</u>
The First British American Corporation Limited	England
Sinjul Investments Limited	England
Singer & Friedlander Trust & Assurance Corporation Limited	England
Singer & Friedlander Leasing Limited	England
Singer & Friedlander (Jersey) Limited	Jersey
Bread Street Investments Limited	England
Singer & Friedlander (Isle of Man) Limited	Isle of Man
Singer & Friedlander A.G.	Switzerland
West City Securities Limited	England
Appledale Limited	Isle of Man
Sinjul S.A.	Panama
Singer & Friedlander Investment Fund S.A.	Panama
Singer & Friedlander Managers Limited	England
Capital Portfolio Management Limited	Scotland
Weniver Investments Limited*	England
Quinarius Investments Limited*	England
Hillgrove Estates Limited*	England
Hillgrove Homes Limited*	England
Galefield Securities Limited*	England
Melbreck Securities Limited*	England
Straker Brothers Limited*	England
Deepmead Limited*	England

The companies marked * above have not been consolidated.

4. FIXED ASSET

This represents an investment in freehold property and is shown at valuation which is considered by the directors to be equal to cost.

15. DIRECTORS' LOANS AND OTHER INTERESTS

None of the directors had during the year, directly or indirectly, a material beneficial interest in any contract to which the company, or any of its subsidiary companies, was a party, and which is or was significant in relation to the business of the company or any of its subsidiary companies.

No director is employed under a contract of service which is not determinable by the company within one year without compensation.

The aggregate amounts outstanding at 31st December, 1984 to be disclosed under the provisions of the Companies Act 1980 in respect of loans and quasi-loans made to the company's directors and/or persons (including bodies corporate) connected with them by the company's banking subsidiary were:

(a) £79,715 in respect of loans to one director.

(b) £160,000 in respect of quasi-loans to two directors.

All loans and quasi-loans to directors are on normal arms length commercial terms both as to security and interest.

There was no amount outstanding at 31st December, 1984 in respect of credit transactions for any director and/or connected person.

ANCOMASS LIMITED
AND SUBSIDIARY COMPANIES

NOTES ON THE ACCOUNTS
(continued)

16. DIRECTORS' EMOLUMENTS

The emoluments of the directors of the company were in respect of their service as directors of its subsidiaries for the periods they were directors of the company and amounted to £326,689 (1983: £275,930) after four directors (1983: three) waived emoluments totalling £21,458 (1983: £23,800). The remuneration of the directors, excluding pension contributions, was as follows:

	<u>1984</u> £	<u>1983</u> £
Chairman		
1st January, 1984 to 25th July, 1984	67,898	94,254
26th July, 1984 to 31st December, 1984	-	
Highest paid director	<u>120,305</u>	<u>94,254</u>
Directors other than highest paid director:		
Up to £5,000	<u>1984</u>	<u>1983</u>
£ 5,001 - £ 10,000	5	2
£ 60,001 - £ 65,000	1	-
£ 70,001 - £ 75,000	-	1
£ 85,001 - £ 90,000	1	-
£ 90,001 - £ 95,000	-	1
	<u>1</u>	<u>-</u>
	<u>8</u>	<u>4</u>

17. AUDITORS' REMUNERATION

The remuneration of the auditors was:

	<u>1984</u>	<u>1983</u>
The company	£518	£460
The group	<u>£95,869</u>	<u>£89,074</u>

18. CONTINGENT LIABILITIES

There are contingent liabilities in respect of the banking group relating to partly paid investments, guarantees on behalf of customers, forward contracts in foreign exchange, discounted bills and agreements for advances entered into in the normal course of business.

REPORT OF THE AUDITORS TO THE MEMBERS OF
ANGOMASS LIMITED

We have audited the accounts on pages 5 to 15 in accordance with approved Auditing Standards.

As set out in note 1(i) the accounts include information in respect of the principal subsidiary company in the manner authorised for banking companies.

On this basis, in our opinion the accounts which have been prepared under the historical cost convention supplemented by the revaluation of investment properties and on the basis of the remaining accounting policies in note 1 set out on pages 8 and 9, give a true and fair view of the state of the affairs of the company and of the group as at 31st December, 1984 and of the profit of the group for the year ended on that date and comply with the Companies Acts 1948 to 1981.

LONDON

28 MAR 1985

Leat Inman & Co
Chartered Accountants.
