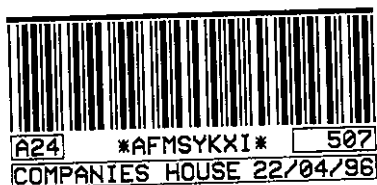


BARCLAYS STOCKBROKERS LIMITED

DIRECTORS' REPORT & FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1995

REGISTERED NUMBER : 1986161



BARCLAYS STOCKBROKERS LIMITED

REPORT OF THE DIRECTORS

RESULTS AND DIVIDEND

The directors report that the profit of Barclays Stockbrokers Limited after taxation for the year ended 31 December 1995 amounted to £4,933,000 (1994: £575,000). An interim dividend of £1,800,000 was paid on 25 September 1995. The directors propose the payment of a final dividend for the year ended 31 December 1995 of £2,700,000 and that the balance on the Profit & Loss Account of £433,000 be carried forward.

ACTIVITIES

The principal activity of the company during the year was the provision of stockbroking services. The company also acts as a personal equity plan manager and offers both nominee based and certificated Stock Exchange dealing services. On 1 July 1995 the company took control of the Retail Custody function of the group and now provides a safe custody service for clients.

DIRECTORS

The names of the present directors are:-

Richard Frederick Durlacher	(Deputy Chairman)
Anthony Keith Vine-Lott	(Resigned Managing Director 31 December 1995) (Appointed Chairman 1 January 1996)
Catherine Rosemary Reid Avery	(Appointed Managing Director 1 January 1996)
Justin Alun Urquhart Stewart	
Angus Kenneth Cameron	(Appointed 16 January 1995)
John A Greenwood	(Appointed 13 April 1995) (Resigned 5 February 1996)
Robert Dench	(Appointed 19 September 1995)
Martin J Borrows	(Appointed 19 September 1995)
John William Fairclough	(Appointed 21 February 1996)
Stephen Whiteside	(Appointed 21 February 1996)

Directors who resigned office during the year were:

Kenneth Charles Bignall	(Chairman) (resigned 31 December 1995)
John Broadhurst	(resigned 30 June 1995)
John Hamilton McGuffog	(Resigned 7 December 1995)
Arthur Barrie Williams	(Resigned 31 December 1995)

DIRECTORS' INTERESTS IN SHARES **(as defined by the Companies Act 1985)**

The directors of the company are also directors of Barclays Holdings Limited and their interests are disclosed in the accounts of that company.

None of the directors had an interest in the shares of the company at 31 December 1995 or at date of appointment.

DIRECTORS' & OFFICERS' LIABILITY INSURANCE POLICY

Barclays Bank plc continues to maintain cover for its directors and officers and those of its subsidiary companies in the UK and overseas, under a directors' & officers liability insurance policy.

BARCLAYS STOCKBROKERS LIMITED)
REPORT OF THE DIRECTORS

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The following statement, which should be read in conjunction with the auditors' report set out on page 3, is made with a view to distinguishing for shareholders the respective responsibilities of the directors and of the auditors in relation to the financial statements.

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss for the financial year.

The directors consider that, in preparing the financial statements on pages 4 to 11, the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all the accounting standards which they consider to be applicable have been followed.

The directors have responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent fraud or other irregularities.

EMPLOYEE INVOLVEMENT

It is company policy to involve employees in the business through a process of communication and consultation.

EMPLOYMENT OF DISABLED PERSONS

The company gives every consideration to applications for employment from handicapped or disabled persons who are able to meet the requirements of the job. As far as possible, training career development and promotion opportunities will be available to such persons.

Where existing employees become disabled the company makes every effort to continue to employ them.

AUDITORS

On 13 December 1990 an elective resolution was passed by the shareholders of the company pursuant to section 386 of the Companies Act 1985 to dispense with the obligation to appoint auditors annually. Price Waterhouse have indicated their willingness to continue in office.

BY ORDER OF THE BOARD



S P MERRY
ASSISTANT SECRETARY

54 LOMBARD STREET
LONDON EC3P 3AH

29 March 1996

AUDITORS' REPORT
TO THE SHAREHOLDERS OF
BARCLAYS STOCKBROKERS LIMITED

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and accounting policies set out on page 6.

Respective responsibilities of directors & auditors

As described on page 2, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We have conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial Statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Price Waterhouse.

PRICE WATERHOUSE
Chartered Accountants
and Registered Auditors
1 Blythswood Square
Glasgow
G2 4AD

29 March 1996

BARCLAYS STOCKBROKERS LIMITED
PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1995

	<i>Note</i>	<i>1995 £'000</i>	<i>1994 £'000</i>
TURNOVER	2	35,695	27,260
SELLING COSTS		(4,858)	(4,430)
ADMINISTRATIVE EXPENSES	3	(26,936)	(23,814)
OTHER OPERATING INCOME	4	<u>1,205</u>	<u>264</u>
<u>PROFIT/(LOSS) BEFORE INTEREST AND TAXATION</u>		5,106	(720)
INTEREST RECEIVABLE	5	2,662	2,046
INTEREST PAYABLE	6	<u>(598)</u>	<u>(494)</u>
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		7,170	832
TAX ON PROFIT ON ORDINARY ACTIVITIES	8	<u>(2,237)</u>	<u>(257)</u>
<u>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</u>		4,933	575
DIVIDENDS PAID AND PROPOSED	9	<u>(4,500)</u>	<u>(800)</u>
<u>RETAINED PROFIT/(LOSS)</u>	10	<u><u>433</u></u>	<u><u>(225)</u></u>

The notes on pages 6 to 11 form part of the financial statements.

There are no recognised gains or losses other than the profit for the year (1994 - Nil).

All the company's activities are in respect of continuing operations.

BARCLAYS STOCKBROKERS LIMITED
BALANCE SHEET AS AT 31 DECEMBER 1995

	<i>Note</i>	<i>1995</i> <i>£'000</i>	<i>1994</i> <i>£'000</i>
<u>CURRENT ASSETS</u>			
Debtors	11	29,370	39,741
Cash at Bank (Group Undertakings)		<u>20,471</u>	<u>13,253</u>
		49,841	52,994
<u>CURRENT LIABILITIES</u>			
Creditors (amounts falling due within one year)	12	<u>(38,567)</u>	<u>(42,153)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>11,274</u>	<u>10,841</u>
<u>CAPITAL AND RESERVES</u>			
Called up Share Capital	13	3,000	3,000
Profit & Loss Account	10	<u>8,274</u>	<u>7,841</u>
<u>SHAREHOLDERS' FUNDS - ALL EQUITY</u>	14	<u>11,274</u>	<u>10,841</u>



A.K. Vine-Lott Chairman

The Board of Directors approved the Financial Statements set out on pages 4 to 11 on 29 March 1996.

BARCLAYS STOCKBROKERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 1995

1. Accounting Policies & Disclosure Requirements

(a) Accounting Convention

The financial statements are drawn up in accordance with Schedule 4 to the Companies Act 1985 and are prepared under the historical cost convention and in accordance with applicable accounting standards.

The company's results are consolidated within Barclays plc which has adopted the provisions of Financial Reporting Standard 1 (FRS1), Cash Flow Statements. Accordingly, the company has elected to utilise the exemption provided by FRS1 and has not provided its own Cash Flow Statement.

(b) Deferred Taxation

Deferred taxation is provided at the estimated rates at which future taxation will become payable on all timing differences between the accounting and taxation treatment of income and expenses where, in the opinion of the directors, it is probable that a liability to taxation will crystallise.

(c) Pension Costs

The company operates a defined contribution scheme which covers the majority of its employees. Contributions are charged to the Profit & Loss Account in the period in respect of which they become payable. The company is also a contributor to the Barclays Bank plc pension scheme, which is a defined benefit scheme. The pension costs relating to this scheme are assessed in accordance with the advice of qualified actuaries. Costs are not determined for individual companies and therefore contributions are charged in the Profit & Loss Account in the period in respect of which they become payable.

2. Turnover & Segmental Reporting

Turnover in 1995 and 1994 comprises fees and commissions receivable from clients for settlement of certificated stock, acting as a personal equity plan manager and offering a nominee based dealing advisory service.

BARCLAYS STOCKBROKERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 1995 (Cont)

2. Turnover & Segmental Reporting (Cont)

The company carries on one class of business, namely stockbroking with a safe custody service, within the United Kingdom.

3. Administrative Expenses

	1995	1994
	£'000	£'000
Staff costs (see Note 7)	8,994	6,920
Auditors' remuneration	69	61
Non-audit fees paid to auditors	80	45
Other administrative expenses	<u>17,793</u>	<u>16,788</u>
	<u>26,936</u>	<u>23,814</u>

4. Other Operating Income

Recharge of operating costs	<u>1,205</u>	<u>264</u>
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5. Interest Receivable

Interest on balances at bank (Group Undertakings)	<u>2,662</u>	<u>2,046</u>
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6. Interest Payable

Interest on customer balances	<u>598</u>	<u>494</u>
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BARCLAYS STOCKBROKERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 1995 (Cont)

7. Employees

	1995	1994
	Number	Number
The average number of persons employed by the company during the year was:-	<u>503</u>	<u>324</u>
Staff costs during the year:-		
	£'000	£'000
Wages & salaries	7,136	5,397
Social Security costs	568	425
Pension costs	303	242
Other staff costs	<u>987</u>	<u>856</u>
	<u>8,994</u>	<u>6,920</u>

Directors' Emoluments

Six directors received emoluments from the company during the year amounting to £322,437 (1994: £337,050).

The emoluments of the other directors are paid by the company's immediate parent company. An amount of £55,284 (1994: £23,713) is included in the management charge from the company's immediate holding company in respect of their emoluments for services to the company.

The emoluments in respect of the directors' services excluding pension contributions are as follows:-

	1995	1994
	£'000	£'000
Chairman - K.C. Bignall	<u>22</u>	<u>15</u>
- A.K. Vine-Lott	<u>58</u>	<u>-</u>
Highest paid director	<u>69</u>	<u>170</u>

Directors' emoluments are in the following bands:-

£0 - £5,000	5	2
£5,001 - £10,000	1	1
£15,001 - £20,000	1	2
£20,001 - £25,000	2	2
£45,001 - £50,000	2	-
£60,001 - £65,000	-	1
£65,001 - £70,000	3	-
£170,001 - £175,000	-	1
Compensation paid for loss of office	<u>24,275</u>	<u>-</u>

BARCLAYS STOCKBROKERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 1995 (Cont)

8. Taxation

The taxation charge is based on the profit for the year and comprises:-

	1995 £'000	1994 £'000
UK Corporation Tax at 33% (1994: 33%)	2,278	275
Less: Overprovision in previous year	<u>(41)</u>	<u>(18)</u>
	<u>2237</u>	<u>257</u>

No provision has been made for deferred taxation at 31 December 1995 and 1994. There were no significant amounts of potential deferred taxation (1994: £Nil).

9. Dividends

	1995 £'000	1994 £'000
Ordinary:		
Interim Paid	1,800	700
Proposed	<u>2,700</u>	<u>100</u>
	<u>4,500</u>	<u>800</u>

10. Profit & Loss Account

	1995 £'000	1994 £'000
At 31 December 1994	7,841	8,066
Profit/(Loss) retained for the year	<u>433</u>	<u>(225)</u>
At 31 December 1995	<u>8,274</u>	<u>7,841</u>

11. Debtors

Due from customers	6,838	10,611
Due from the market	20,007	27,797
Amounts owed by Group Undertakings	584	75
Other debtors	1,583	1,094
Prepayments & accrued income	<u>358</u>	<u>164</u>
	<u>29,370</u>	<u>39,741</u>

BARCLAYS STOCKBROKERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 1995 (Cont)

	1995	1994
	£'000	£'000
12. <u>Creditors: (amounts falling due within one year)</u>		
Due to customers	14,109	20,850
Due to the market	13,317	17,874
Amounts owed to Group Undertakings	3,417	1,315
Other creditors	2,504	713
Taxation & Social Security	473	388
Corporation Tax creditor	2,278	275
Accruals & deferred income	<u>2,469</u>	<u>738</u>
	<u>38,567</u>	<u>42,153</u>

13. Called up Share Capital

Authorised, Allotted & Fully Paid 3,000,000 Ordinary shares of £1 each	<u>3,000</u>	<u>3,000</u>
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14. Reconciliation of Movements in Shareholders' Funds

Profit for the financial year	4,933	575
Dividends	<u>(4,500)</u>	<u>(800)</u>
Net addition to (deduction from) Shareholders' Funds	433	(225)
Opening Shareholders' Funds	<u>10,841</u>	<u>11,066</u>
Closing Shareholders' Funds	<u>11,274</u>	<u>10,841</u>

15. Pension Scheme

The company operates a defined contribution Pension Fund. The assets of the fund are held separately from those of the company in an independently administered fund. The pension cost charge includes contributions payable by the company to the fund and amounted to £182,210 (1994: £168,681). The company is also a contributor to the Barclays Bank plc pension scheme which covers a number of employees. The pension cost charge includes contributions payable by the Company to this Scheme amounting to £120,985 (1994: £73,202).

16. SFA Statement

The company is a fully independent profit centre whose expenditure is not incurred to a material extent by third parties.

17. Security

On 13 May 1993, a charge was created in favour of the London Stock Exchange by the company in respect of Talisman securities registered in the name of the company, as security for all indebtedness and obligations of the company to the exchange.

BARCLAYS STOCKBROKERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 1995 (Cont)

18. Holding Companies

The parent company of the smallest group that presents Group accounts is Barclays Bank PLC, the ultimate holding company is Barclays plc, and copies of the Group accounts may be obtained from Barclays Bank PLC, 54 Lombard Street, London, EC3P 3AH. Both companies are incorporated in Great Britain and are registered in England and Wales.