2129188

RIT CAPITAL PARTNERS PLC

(ENGLISH REGISTER NUMBER 2129188)

REPORT AND ACCOUNTS

FOR THE PERIOD ENDED 2 AUGUST 1988

RIT CAPITAL PARTNERS PLC

CONTENTS

RIT CAPITAL PARTNERS PLC

DIRECTORS AND ADVISERS

Directors

The Hon. Nathaniel Charles Jacob Rothschild (Chairman)
Charles Howard Bailey
Anthony Herbert Bloom (South Africa)
The Hon. Clive Patrick Gibson
Baron Philippe Lambert (Belgium)
Jean Pigozzi (Italy)
Andrew Stafford-Deitsch (USA)

all of 15 St. James's Place, London SW1A 1NW and all non-executive

Secretary and registered office

J. Rothschild Administration Limited, 15 St. James's Place, London SW1A 1NW

Investment Managers

J. Rothschild Capital Management Limited, 15 St James's Place, London SW1A 1NW

Financial advisers

S.G. Warburg & Co. Ltd., 33 King William Street, London EC4R 9AS

Stockbrokers

Cazenove & Co., 12 Tokenhouse Yard, London EC2R 7AN

Auditors

Price Waterhouse, Southwark Towers,
32 London Bridge Street, London SE1 9SY

Solicitors

S J Berwin & Co, 236 Grays Inn Road, London WC1X 8HB

Principal Bankers

Barclays Bank PLC, 9 Gracechurch Street, London EC3V 0BB
Citibank N.A., Citibank House, P.O. Box 78, 336 Strand, London WC2R 1HB
National Westminster Bank PLC, 41 Lothbury, London EC2P 2BP

Registrars and transfer office

National Westminster Bank PLC, Registrar's Department, P.O. Box 82,
Caxton House, Redcliffe Way, Bristol BS99 7NH

Trustee

Barclays Bank Trust Company Limited, Corporate Funds Trustee Office,
Goodenough House, 33 Old Broad Street, London EC2P 2JE

RIT CAPITAL PARTNERS

DIRECTORS' REPORT

Accounts

The Directors present their first Report and Accounts for the Company, covering the period from incorporation to 2nd August 1988.

Incorporation and status

The Company was incorporated in England under the Companies Act 1985 on 7th May, 1987 as a public company limited by shares (No. 2129188). On 30th October, 1987 a certificate that the Company be entitled to do business and borrow was issued by the Registrar of Companies and its name was changed from Keybalance Public Limited Company to RIT plc; on 2nd June, 1988 its name was changed to its present name.

In the opinion of the Directors, the Company is not a close company within the provisions of the Income and Corporation Taxes Act 1988.

Results and dividends

The results for the period ended 2nd August 1988 were as follows:

	£000's
Profit on ordinary activities after taxation	2,715
Minority interests	14
	2,729
Interest on convertible loan stock	(36)
Transfer from capital reserve	3,861
Dividends	(6,057)
Retained for the period	497

The consolidated profit and loss account and movements on capital reserve are shown on pages 11 and 19 respectively .

On 21st July 1988 upon the recommendation of the Directors, the Company in general meeting declared a dividend of £6,056,856.

The Board does not recommend the payment of a further dividend.

Net asset value

The net asset value of one ordinary share at 2nd August 1988 was 109 pence. The diluted net asset value of one ordinary share, after allowing for conversion of the loan stock at par, was 106 pence.

Review of business

The Company has been established by J Rothschild Holdings plc to specialise in investments which are held for the medium and longer term with a view to achieving significant capital growth. Longer term investments (including properties) at a cost of £209.1 million have been acquired or transferred from the J Rothschild Holdings Group.

This portfolio of investments (of which some 67 per cent are quoted, some 17 per cent unquoted, 7 per cent in properties and 9 per cent in cash) was valued at 2nd August 1988 at £223.8 million.

The Company will hold both listed and unlisted investments, mainly in the UK and USA. It is likely that the listed portfolio will include special situations, often involving significant amounts of capital. Unlisted investments will include venture and development capital and leveraged buy-outs. The Company also intends to participate in special situation partnerships.

Information on the largest investments in the Company's initial portfolio is set out under Note 17.

To comply with The Stock Exchange classification as an investment company no more that 20 per cent of the gross assets of the RIT Capital Partners Group will be invested in any one investment nor will RIT Capital Partners assume management control of any of its investments. The Company intends to conduct its affairs so that it will qualify for approval as an investment trust for tax purposes from 3rd August 1988; accordingly no single investment in shares or securities made by the Company will exceed 15 per cent of its gross assets at the time of acquisition.

In view of the Company's focus on capital growth only a small annual dividend will be paid on its shares. It is expected that the first annual dividend will be paid in July 1989 and will be in the order of 0.9p (net). The convertible stock has a coupon of 2.5 per cent and is convertible on 1st August in each year from 1991 to 1999 at a rate of one share for every £1 in nominal amount of convertible stock. It is expected that the shares and convertible stock will trade at broadly similar levels in relation to underlying net asset values. In common with other investment trusts, the Company is not at present seeking powers to purchase its own shares; however it will be able to buy the convertible stock in the market, and may do so if it trades at a discount to its underlying net asset value. This would increase the net asset value attributable to the remaining convertible stock and the shares to the benefit of continuing holders.

Share capital

Details of the authorised and issued share capital appear in Note 13 to the Accounts.

Principal shareholders

J Rothschild Holdings plc is beneficially interested in 63,706,214 ordinary shares representing 38.6% of the shares in issue. The Prudential Corporation group has informed the Company that its interest in the ordinary share capital of the Company, together with that of segregated funds which it manages for clients, is 11,359,740 shares (6.88%). The Directors are not aware of any other interest representing 5% or more of the shares of the Company.

Convertible Stock

As at 31st August, 1988 the Company had purchased for cancellation £2,841,612 of convertible stock at an average price of £81.18 per £100 nominal.

Directors The present Directors, all of whom are non-executive, are

The Hon. Jacob Rothschild, aged 52, who is also Chairman of J Rothschild Holdings plc. In 1971 he became Chairman of Rothschild Investment Trust Limited, a predecessor company to J Rothschild Holdings plc.

Charles Bailey, aged 54. Charles Bailey was a partner in Price Waterhouse from 1969 to 1987. In 1987, he became a director of General Oriental Investments Limited and the majority of its subsidiaries and associates.

Tony Bloom, aged 49. Tony Bloom is Chairman of Premier Group Holdings Limited, a major South African industrial group. After a 22-year career with that group, he resigned as its Chief Executive in March 1988 to take up residence in London.

The Hon. Clive Gibson, aged 40, who joined J Rothschild Holdings plc in 1985 and was appointed an executive director of that company in 1986. He was previously a member of the Executive Committee of the S. Pearson group.

Baron Philippe Lambert, aged 58, is a director of Banque Bruxelles Lambert.

Jean Pigozzi, aged 36, is a private investor and is presently an active board member of the Aurelia Global Fund Limited, an international investment fund.

Andrew Stafford-Deitsch, aged 31, who has been with J Rothschild Holdings plc since 1983 and was appointed an executive director of that company in 1985. He was previously with N.M. Rothschild & Sons Limited.

The Directors during the period were:

Directors	Dates	
Hon. N.C.J. Rothschild (Chairman)	Appointed	2 March 1988
R.P. Burrow	Appointed	7 October 1987
	Resigned	7 December 1987
J.D. Cracknell	Appointed	7 December 1987
	Resigned	1 June 1988
Hon. C.P. Gibson	Appointed	7 December 1987
P. Goldenberg	Appointed	7 October 1987
	Resigned	7 December 1987
D.S. Hodgson	Appointed on Incorporation;	
	Resigned	7 October 1987
J.W.P. Johnston	Appointed	7 December 1987
	Resigned	1 June 1988
Baron Philippe Lambert	Appointed	2 March 1988
M.J. Latter	Appointed on Incorporation;	
	Resigned	7 October 1987
A. Stafford-Deitsch	Appointed	2 March 1988
C.H. Bailey	Appointed	1 June 1988
J. Pigozzi	Appointed	1 June 1988
A.H. Bloom	Appointed	1 June 1988

Directors' interests

The interests of those directors who held office on 2nd August 1988 in the shares and convertible stock of the Company at 2nd August 1988 are given below.

	Ordinary Shares of £1 each			Convertible Stock		
	Beneficial	Non-Beneficial	Per cent of share capital	Beneficial	Non-Beneficial	Per cent of loan capital
The Hon. Jacob Rothschild	3,880,409	198,605	2.47	£2,328,247	£119,162	2.45
Charles Bailey	-	-	-	-	-	-
Tony Bloom	-	-	-	-	-	-
The Hon. Clive Gibson	553,333	12,666	0.32	£320,000	£7,600	0.32
Baron Philippe Lambert	-	-	-	-	-	-
Jean Pigozzi	-	-	-	-	-	-
Andrew Stafford-Deitsch	75,000	-	0.04	£45,000	-	0.04

At the date of their respective appointments, Mr Rothschild, Mr Gibson and Mr Stafford-Deitsch were interested in the share capital of the Company by virtue of their interests in J Rothschild Holdings plc, the Company's holding company at that time. Details of their interests in the share capital and warrants to subscribe share capital in J Rothschild Holdings plc are set out in the annual accounts of that latter company.

Between the end of the period and 22nd August 1988 there was no change in the Directors' interests as set out above.

Other than as disclosed in Notes 2 and 14 to the accounts and as described below, no director has, or has had during the year under review, any beneficial interest in any contract or arrangement with the Company of any of its subsidiaries as defined by the Companies Act 1985 or in the terms laid down in The Stock Exchange Listing Agreement, nor were there any service contracts between the Company and any of its directors.

Contracts of significance

In connection with the formation, establishment and flotation of the Company, the Company entered into a number of contracts with J Rothschild Holdings plc and certain of its subsidiaries. Certain of these contracts may be regarded as contracts of significance within the meaning of the Stock Exchange Continuing Obligations.

Full details of these contracts are contained within the Listing Particulars of the Company issued on 29th June 1988 under the section entitled "General Information - material contracts".

Political contributions and charitable donations

During the period ended 2nd August 1988, the Company made no political contributions or charitable donations.

Employees

There are no employees.

Auditors

The Auditors, Price Waterhouse, have indicated their willingness to continue in office and a resolution that they be re-appointed will be proposed at the forthcoming General Meeting.

By order of the Board
J Rothschild Administration Limited
Secretary

31st August 1988

REPORT OF THE AUDITORS

TO THE MEMBERS OF

RIT CAPITAL PARTNERS PLC

We have audited the accounts on pages 9 to 21 in accordance with approved Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the Company and the Group at 2nd August 1988 and of the profit and source and application of funds of the Group for the period then ended and comply with the Companies Act 1985.

Price Waterhouse

Price Waterhouse
Chartered Accountants
London

31 August 1988

GROUP ACCOUNTING POLICIES

The principal accounting policies of the Group are set out below.

Basis of consolidation

The consolidated accounts deal with the results of the Company and its subsidiaries for the period ended 2nd August 1988.

Accounting convention and accounting period

The financial information is prepared under the historical cost convention as modified to include the revaluation of certain assets. The financial information covers the period since incorporation on 7th May 1987 until 2nd August 1988.

Investments

Investments are included in the balance sheet at market value in the case of listed investments and at directors' valuation in the case of unlisted investments. Investment properties are included at open market value on an existing use basis. A valuation of major properties is undertaken by independent professionally qualified valuers every five years and by the Directors, having taken professional advice, in other years.

Gains and losses on the realisation and revaluation of investments are taken to capital reserve. Costs incurred in connection with abortive investment transactions are also taken to capital reserve.

Dividend income is credited to the profit and loss account on an ex-dividend basis. Interest is credited on an accruals basis.

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Gains and losses on translating investments are taken to capital reserve together with gains and losses arising on foreign currency borrowings to the extent that such gains and losses arise from borrowings which are hedging investments denominated in foreign currencies.

All other gains and losses are dealt with in the profit and loss account.

Deferred taxation

Deferred taxation is only provided in respect of timing differences of a material amount which are expected to result in a taxation liability in the foreseeable future.

Management and administration fees

Administration fees are charged to profit and loss account as incurred. Performance based investment management fees are charged direct to capital reserve to the extent that they relate to gains on investments credited to capital reserve. Such fees, to the extent that they relate to income from investments, are charged to profit and loss account.

Convertible stock

The convertible stock is, in the opinion of the directors, essentially an equity instrument and accordingly, interest is charged net of attributable taxation to the profit and loss account after profit for the financial period.

RIT CAPITAL PARTNERS PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 2 AUGUST 1988

	Note	Period ended 2 August 1988
		£'000
Investment income	1	4,458
Other operating income		2
Interest payable		(109)
Administration expenses	2	(248)
Profit on ordinary activities before taxation		4,103
Taxation on profit on ordinary activities	4	(1,388)
Profit on ordinary activities after taxation		2,715
Minority interests		14
Profit for the financial period		2,729
Interest on convertible loan stock	5	(36)
Profit for the financial period attributable to shareholders	16	2,693
Earnings per share	7	6.3p
Diluted Earnings per share	7	5.3p

Movements on reserves are set out in notes 14 and 16 on pages 19 and 20.

The notes on pages 15 to 21 form part of these accounts.

RIT CAPITAL PARTNERS PLC

CONSOLIDATED BALANCE SHEET AT 2 AUGUST 1988

	Notes	2 August 1988
		£'000
Fixed assets:		
Tangible fixed assets		3
Investments	8	223,849
		223,852
Current assets:		
Debtors	10	3,510
Cash at bank		67,653
		71,163
Creditors: amounts falling due within one year	11	(14,473)
Net current assets		56,690
Provisions for liabilities and charges	12	(20)
Total assets less current liabilities		280,522
Capital and reserves:		
Called up share capital	13	165,000
Capital reserve	14	14,916
Convertible stock	15	100,000
Profit and loss account	16	497
Minority interests		109
		280,522

The accounts were approved by the Board of Directors on 31st August 1988 and are signed on the Board's behalf by:

) Directors

The notes on pages 15 to 21 form part of these accounts.

RIT CAPITAL PARTNERS PLC

COMPANY BALANCE SHEET AT 2 AUGUST 1988

	Notes	2 August 1988
		£'000
Fixed assets:		
Investments	8	220,098
Investments in subsidiary companies - shares	9	382
- loans		3,213
		223,693
Current assets:		
Debtors	10	635
Cash at bank		67,561
		68,196
Creditors: amounts falling due within one year	11	(11,547)
Net current assets		56,649
Provisions for liabilities and charges	12	(20)
Total assets less current liabilities		280,322
Capital and reserves:		
Called up share capital	13	165,000
Capital reserve	14	14,763
Convertible stock	15	100,000
Profit and loss account		559
		280,322

The accounts were approved by the
Board of Directors on 31st August 1988
and are signed on the Board's behalf by:

) Directors

The notes on pages 15 to 21 form part of these accounts.

CONSOLIDATED SOURCE AND APPLICATION OF FUNDS

FOR THE PERIOD ENDED 2 AUGUST 1988

	Period ended 2 August 1988
	£'000
SOURCE OF FUNDS	
Profit on ordinary activities before taxation	4,103
Exchange gain on currency taken to capital reserve	205
Other adjustments	10
Total funds generated from operations	4,318
Funds from other sources	
Issues of shares	165,000
Issue of convertible stock	100,000
Arising on acquisition of a subsidiary company	3,861
APPLICATION OF FUNDS	
Purchase of investments	(209,064)
Payment of dividends	(6,057)
Tax paid	(2,921)
	55,137
INCREASE IN WORKING CAPITAL	
Increase in debtors	700
Increase in creditors	(13,215)
	(12,515)
Increase in net liquid funds	67,652
	55,137

NOTES TO THE ACCOUNTS

1. Investment income (including related tax credits)

	Period ended 2 August 1988
	£'000
Investment income from listed investments	745
Investment income from unlisted investments	46
Investment income from investment properties	177
Interest receivable	3,490
	4,458

2. Administration expenses

Auditors' remuneration	12
Administration expenses charged by J Rothschild Administration Limited	115
Non recoverable VAT	-
Directors' emoluments (Note 3)	7
Other expenses	114
	248

By an agreement dated 23rd June 1988 between the Company and J Rothschild Administration Limited ("JRA"), a subsidiary of J Rothschild Holdings plc ("the Operational Services Agreement"), JRA has agreed to act as Secretary of the Company and administrator of its affairs. The Operational Services Agreement is terminable on one year's notice expiring on an accounting reference date of the Company. In addition to the fees provided under this agreement, all disbursements incurred by JRA on behalf of the Company, including legal, accounting, printing, custodian, registrar's and administration fees and the subsistence and travelling expenses of JRA's and J Rothschild Capital Management Limited's staff whilst engaged on the Company's business, will be paid by the Company on the same basis.

3. Directors' emoluments

Other than the directors, the Company has no employees.

Directors emoluments consist of fees paid for services as directors only.

Particulars of emoluments

	£000's
Chairman	-
Highest paid director	4

Other directors in the following ranges £ £	Number
0 - 5,000	11

NOTES TO THE ACCOUNTS (Continued)

4. Taxation on profit on ordinary activities

	Period ended 2 August 1988
	£'000
United Kingdom taxation	
Corporation tax at 35% based on profit for the period	1,182
Deferred tax	20
Taxation attributable to UK dividends received	186
	1,388

5. Interest on convertible loan stock

	£'000
Gross	55
Less corporation tax at 35%	(19)
Net interest payable	36

6. Dividends

	£'000
First interim dividend - paid	6,057

7. Earnings per ordinary share

Earnings per share (on the net basis) are calculated on earnings of £2.7m and 43.0 million ordinary shares, the weighted average number of shares in issue during the period ended 2nd August 1988.

The fully diluted earnings per share (on the net basis) are based on fully diluted earnings of £2.7 million and 51.8 million ordinary shares, the adjusted weighted average number of shares in issue during the period ended August 1988. The fully diluted earnings and weighted average number of shares in issued have been adjusted for the conversion of loan stock at par on 23rd June 1988.

8. Investments

2 August 1988

	United Kingdom Group	United Kingdom Company	United States Group	United States Company	Other Group	Other Company
	£'000	£'000	£'000	£'000	£'000	£'000
Listed investments	122,728	122,728	26,153	26,153	1,727	1,727
Unlisted investments	9,223	10,399	15,733	14,401	12,263	12,263
Investment properties	16,139	16,139	-	-	-	-
Cash	-	-	19,883	19,883	-	-
Total	148,090	149,266	61,769	60,437	13,990	13,990

Movements on investments

	Acquisitions at cost Group	Acquisitions at cost Company	Revaluation in the period Group	Revaluation in the period Company	Balance at 2nd August 1988 Group	Balance at 2nd August 1988 Company
Listed investments	140,454	140,454	10,154	10,154	150,608	150,608
Unlisted investments	35,468	35,531	1,751	1,532	37,219	37,063
Investment properties	14,450	14,450	1,689	1,689	16,139	16,139
Cash	18,692	18,692	1,191	1,191	19,883	19,883
Total	209,064	209,127	14,785	14,566	223,849	223,693

The investment properties were independently valued as at 20th June 1988 at open market value on an existing use basis by Jones Lang Wooton, Chartered Surveyors, and are held at this valuation plus subsequent additions to cost.

On 23rd June 1988 the Company entered into agreements with Hornwood Investments NV ("Hornwood"), a wholly-owned subsidiary of J Rothschild Holdings plc, giving the Company both the right and the obligation, in approximately three years' time to acquire from Hornwood its wholly-owned subsidiary, Hornwood (Barbados) Limited ("Barbados"), for a maximum consideration of US$70 million. In the event of an offer for Barbados or its underlying assets, the options become exercisable early, in which case the price payable will be either US$50.35 million or US$55.65 million increased by interest at 7.757% or 7.947% per annum respectively compounded annually on 1st June. It is the intention of Hornwood, subject to the receipt of the necessary consents, to transfer its 13.7% interest as a limited partner in General Oriental Securities Limited Partnership to Barbados in exchange for the issue of shares in Barbados.

9. Investments in subsidiaries

At 2nd August 1988 the Company held investments in the following subsidiary companies, all of which are investment companies.

Unless indicated below, the subsidiaries are wholly owned, incorporated in Great Britain, registered in England and operate principally in Great Britain.

Name	Issued share capital
Atlantic and General Investment Trust Limited (98%)	£100 divided into 98 preferred ordinary shares of £1 each and 2 ordinary shares of £1 each
St James's Venture Capital Fund Limited (83%)	£3,026,000 divided into 3,025,000 A shares of £1 each and 100,000 B shares of 1 pence each
RIT Capital Partners Securities Limited	£2 divided into 2 ordinary shares of £1 each
RIT Capital Partners Properties Limited	£2 divided into 2 ordinary shares of £1 each
Baytree Investments NV (Incorporated in the Netherlands Antilles)	US$6,000 divided into 6,000 ordinary shares of US$1 each
RIT Capital Partners (US) Inc (Incorporated in the USA)	100 common shares of no par value

The Company's investment in subsidiaries is stated at cost. In the opinion of the directors the value of the company's investment in subsidiaries is not less than the amount at which it is stated in the balance sheet.

10. Debtors

	2 August 1988 Group	2 August 1988 Company
	£'000	£'000
Other debtors	693	628
Prepayments	7	7
Tax receivable	2,810	-
	3,510	635

11. Creditors: Amounts falling due within one year

	Group	Company
Creditors for securities purchased	10,140	10,140
Accruals and deferred income	3,075	151
Corporation tax payable	1,257	1,256
Bank overdrafts	1	-
	14,473	11,547

Bank overdrafts are all repayable in one year or less or on demand.

12. Provisions for liabilities and charges

	2 August 1988	
	Group	Company
	£'000	£'000
Deferred taxation in respect of short term timing differences	20	20

There is no material unprovided taxation liability.

13. Share capital

	6 August 1988
	£'000
Authorised:	
320 million Ordinary shares of £1 each	320,000
Allotted, issued and fully paid:	
165 million Ordinary shares of £1 each	165,000

On incorporation, the Company had an issued share capital of two ordinary £1 shares subscribed for cash at par.

On 21st October 1987 a further 49,998 ordinary £1 shares were allotted for cash at par.

On 6th April 1988 the authorised share capital of the Company was increased to £165,000,000 and a further 164,950,000 shares of £1 each were allotted for cash at par to finance the business. On 3rd June 1988 the authorised share capital was increased to £320 million by the creation of a further 155 million £1 ordinary shares, 100 million of which are reserved for the satisfaction of the conversion rights of the convertible stock.

14. Capital reserve

	2 August 1988	
	Group	Company
	£'000	£'000
Revaluation of investments	14,785	14,566
Exchange gain arising on currency investments and related currency hedging	205	271
Taxation	(74)	(74)
Accrued investment management fee	-	-
Reserve arising on the acquisition of a subsidiary company	3,861	-
Transfer to profit and loss account on the distribution of the retained revenue profits of a subsidiary company	(3,861)	-
	14,916	14,763

Of the balance on capital reserve £137,000 represents realised currency gains after tax.

14. Capital reserve (continued)

By an agreement dated 28th June 1988 between the Company and J Rothschild Capital Management Limited ("JRCM") ("the Investment Management Agreement"), JRCM has agreed to act as investment manager to the Company for a performance-related fee equal to 20 per cent of the increase in net asset value (including, for this purpose, dividends on the RIT Shares and interest on the covertible stock) in excess of an amount equal to 6.5 per cent per annum in respect of each period until 31st March 1992 and thereafter equal to interest at the London Inter-Bank Offered Rate less 3 per cent.

The Investment Management Agreement may be terminated after the initial-period ending 31st March 1992 by at least two years' notice expiring on an accounting reference date of the Company or upon a change in control of JRCM or J Rothschild Holdings plc.

15. 2.5% Convertible unsecured loan stock

£100 million of convertible unsecured loan stock was issued at par on 23rd June 1988.

Holders may convert to ordinary shares on the basis of £1 in nominal amount of ordinary shares for £1 in nominal amount of stock in any of the years 1991-1999. If the loan stock is not otherwise purchased, redeemed or converted, it is redeemable at par on 31st March 2000.

16. Profit and loss account

	Group £'000	Company £'000
Profit for the financial period attributable to shareholders	2,693	6,616
Transfer from capital reserve	3,861	-
Dividends	(6,057)	(6,057)
Balance at 2nd August 1988	497	559

17. Principal investments

The following are the principal companies and partnerships in which the group held over 10% of a class of issued share capital or of the partnership at 2nd August 1988:

		Class of share capital	% held
Listed companies	The Chillington Corporation plc	Deferred shares of 25p	18.7
	Fuel-Tech NV (incorporated in Netherlands Antilles)	Fully non assessable shares of Common Stock	15.1
	The Weir Group plc (registered in Scotland)	Ordinary shares of 25p	11.1
	Anglo Leasing plc	Ordinary shares of 25p	49.9

17. Principal Investments (Continued)

Unlisted companies	Lydd Airport Group Limited	Preferred Ordinary shares of £1	49.9
		Preference shares of £1	49.9
		Subordinated loan stock	49.9
	Videoconferencing Systems Incorporated (incorporated in USA)	Series B Preferred shares	18.8
Partnership interests	Roberts Holdings Limited Partnership (formed under the laws of the State of Delaware, USA)	Partnership interest	50.0
	South Timbers Limited Partnership (formed under the laws of the State of Texas, USA)	Partnership interest	29.6

Unless otherwise stated, all the companies are registered in England.

The following are the ten largest investments held as at 2nd August 1988:

Company	Cost £m	Directors/ Market Value £m	Activity	Proportion of Share Capital Owned %	Net Assets Attributable to Holding £m
Anglo Leasing Ord	30.6	32.3	Equipment Leasing	49.9	16.3
Fuel Tech Restricted	15.9	20.0	Combustion Technology	15.1	1.5
Weir Group Ord	15.2	15.7	Engineering	11.1	6.4
Saatchi & Saatchi 6 3/4 Conv.	15.0	15.0	Advertising	N/A	N/A
Hawker Siddeley Ord	14.0	14.0	Aircraft Engineering	1.3	10.6
Eurotunnel Units	13.1	13.7	Channel Tunnel	1.2	12.9
GPA Ord	9.6	10.5	Aircraft Leasing	1.8	4.4
Spencer House	6.9	7.1	Leasehold Investment Property	N/A	N/A
STC Ord	5.0	5.6	Communications	0.4	2.3
THF Ord	4.7	4.9	Hoteliers	0.3	3.9