12-03-96

Close Brothers Co. No. 520241

BRIEF PROFILE

Close Brothers is an independent merchant banking group listed on the London Stock Exchange. The Bank was founded in the City of London in 1878. The major shareholders are large UK financial investors such as insurance companies, pension funds and investment groups.

Close Brothers' main activities comprise the six related specialist merchant banking services set out on page 5. Most of these operations meet the financial needs of medium-sized companies.

Close Brothers is dedicated to giving its clients continuity, high quality service, integrity and an uncompromising professionalism.

Close Brothers

DIRECTORS AND ADVISERS

Directors of Close Brothers Group plc

Executive Directors

R.D. Kent, Managing Director, aged 48, M.B.A., joined Close Brothers in 1974 having originally started his City career with Schroders. He is a non-executive director of English & Scottish Investors PLC, M & G Group plc and Wessex Water PLC.

P.J. Stone, aged 49, Solicitor, served his articles with Slaughter and May and was employed by Clintons before joining Close Brothers in 1975. He is a non-executive director of Thomas Miller & Co. Limited.

P.L. Winkworth, aged 47, F.C.A., A.T.I.I., was employed by KPMG Peat Marwick and then in the corporate finance department of Barings, before joining Close Brothers in 1977.

J.G.T. Thornton, aged 48, M.B.A., F.C.A., joined Close Brothers in 1984 having previously been deputy managing director of CINVen and, before that, with 3i plc, NEB and Arthur Andersen.

D.G. Hardisty, aged 52, joined Close Brothers in 1987 having previously been employed by British Credit Trust and, before that, North West Securities.

S.R. Hodges, aged 41, Barrister, joined Close Brothers in 1985 having previously been employed as a banker by Hambros.

C.D. Keogh, aged 42, M.B.A., Barrister, A.T.I.I., joined Close Brothers in 1985 having previously been employed by Saudi International Bank and, before that, Arthur Andersen.

B.M. Winterflood, aged 58, M.S.I. Dip., founded Winterflood Securities in 1988 having previously worked for many years for Bisgood Bishop, which was acquired in 1986 by County Natwest Securities. He joined Close Brothers in 1993.

Non-Executive Directors

H.G. Ashton, Chairman, aged 65, D.L., F.C.A., is a non-executive director of The Albert Fisher Group PLC. He was formerly an executive director of Hanson and Schroders.

Lord Cobbold, aged 58, D.L., F.C.T., has specialised in treasury operations and money management, working successively for 3i, BP and TSB/Hill Samuel. He is Hon. Treasurer of The Historic Houses Association.

A.H. Farley, aged 49, Solicitor, is one of the founding partners of City solicitors Watson, Farley and Williams, of which he is the senior partner. He is also a non-executive director of Harrisons (Clyde) Limited.

M.H.F. Morley, aged 55, M.B.A., was previously the chief executive of Portals and a managing director of Charterhouse Group. He is a non-executive director of Foreign & Colonial PEP Investment Trust PLC and Foreign & Colonial Private Equity Trust PLC.

Adviser to the Board

Lord Denman, aged 79, C.B.E., M.C., was previously a director of Consolidated Gold Fields, The British Bank of the Middle East, The Saudi British Bank (Riyadh) and Marine & General Mutual Life. He was appointed a non-executive director of Close Brothers Limited in 1977 and retired from the board in 1993.

Secretary

T. D. Cansick, M.B.A., A.C.I.B.

Auditors
Touche Ross & Co. (Holding Company).

Ernst & Young (Authorised Institution).

Solicitors
Freshfields.

Stockbrokers
SBC Warburg.

Directors of Close Brothers Limited

*R. D. Kent, M.A., M.B.A.	Chairman
*P. J. Stone, M.A., Solicitor	Deputy Chairman
*P. L. Winkworth, F.C.A., A.T.I.I.	Deputy Chairman
*H. G. Ashton, D.L., M.A., F.C.A.	Non-executive
*C. D. Keogh, M.A., M.B.A., Bar., A.T.I.I.	Chief Executive
*S. R. Hodges, M.A., Bar.	Managing Director
T. D. Cansick, M.B.A., A.C.I.B.	Director, Internal Audit
J. A. B. Kelly, R.D., L.L.B., F.C.A.	Director, Corporate Finance
H. A. Lloyd, M.A., A.C.A.	Director, Corporate Finance
D. C. Pusinelli, M.A., A.C.A.	Director, Corporate Finance
P. H. Reeve, M.A., A.C.A.	Director, Corporate Finance
R. D. Sellers, A.C.A.	Director, Finance
S. C. Willes, M.A.	Director, Corporate Finance
P. N. Williamson	Director, Banking
L. M. Bland, M.I.C.M.	Managing Director, Close Invoice Finance
V. L. Cannock	Chairman, Air and General Finance
*D. G. Hardisty	Managing Director, Close Asset Finance
J. Lewis	Managing Director, Close Consumer Finance
R. Mountain, B.A (Econ.)	Managing Director, Business Advisory Services
S. R. Robinson	Managing Director, PROMPT UK
*J. G. T. Thornton, M.A., M.B.A., F.C.A	Chairman, Close Investment Management
*B. M. Winterflood, M.S.I. Dip.	Managing Director, Winterflood Securities

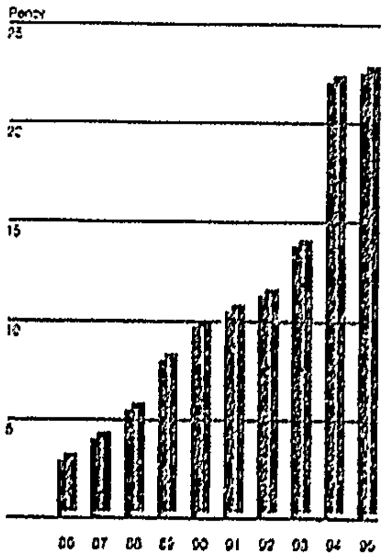
*Director of Close Brothers Group plc

A list of the principal operating companies, their addresses and senior management is given on pages 38 and 39.

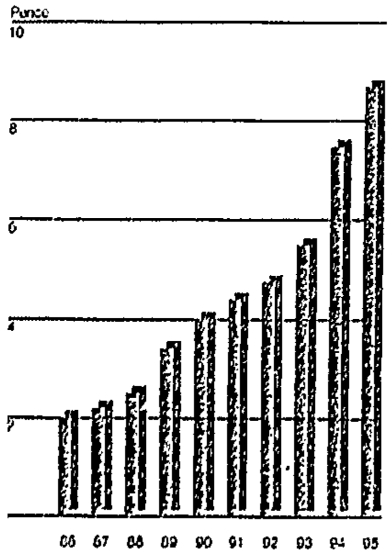
12-03-96

Close Brothers

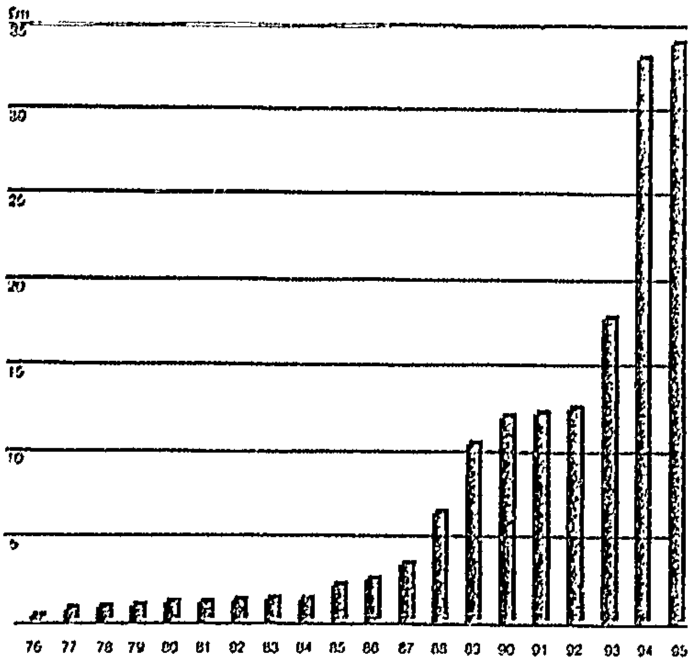
HISTORICAL TRENDS



Group earnings per share



Group dividends per share



Group profit before tax

The profit figures have been taken from the audited accounts and, prior to 1984, those of Safeguard and Close Brothers have been adjusted to be co-terminous

MAIN ACTIVITIES

City Merchant Banking	**Close Brothers** Corporate Finance Commercial Lending Treasury
Insurance Premium Financing	**Prompt U.K.** **Prompt U.S.**
Investment Management	**Close Investment Management** Development Capital **Close Brothers Investment** Personal Investment Products **Close Fund Management** Structured Investment Funds
Credit Management	**Close Invoice Finance** Debt Factoring Invoice Discounting **Business Advisory Services** Debt Collection Agency
Market-Making	**Winterflood Securities** Market-Making in stocks of medium to smaller companies and in smaller parcels of gilt edged securities
Asset Finance	**Close Asset Finance** Printing Equipment Commercial Vehicles Commercial Plant Machine Tools **Air and General Finance** Light Aircraft **Close Consumer Finance** Cars

Close Brothers

CHAIRMAN'S STATEMENT

It gives me great pleasure to be able to announce our twentieth year of unbroken increase in profits. Profits before taxation increased to £33.96 million from £33.06 million and earnings per share to 22.6p from 22.1p. This is a good performance inasmuch as it follows a quite exceptionally buoyant previous year. Last year I said that 1994 would be a hard act to follow. It was, but we have done it and in a year when there has been major rationalisation and pressures on profitability in the UK merchant banking sector. I would like to thank all the management and staff throughout the group for their efforts in producing this milestone result.

"Our twentieth year of unbroken increase in profits"

The board is recommending a final dividend of 5.8p net per share which, together with the interim dividend, makes a total distribution for the year of 8.7p net per share (1994 — 7.5p). The total net dividend per share represents an increase of 16 per cent. over last year's dividend and is covered 2.6 times.

Overall, the mix of the group's operating profits has changed somewhat this year, with City Merchant Banking (including PROMPT, Investment Management and Credit Management) accounting for 32% (1994 — 32%), Asset Finance for 46% (1994 — 31%) and Market-Making for 22% (1994 — 37%).

As the UK economic recovery continued this was a year in which most of our specialised lending operations shone. The strongest performance came from Close Asset Finance where profits increased substantially. Close Invoice Finance and Air and General Finance also earned record profits. PROMPT in the UK made good progress in a soft insurance market, whilst Close Consumer Finance had a satisfactory year in a highly competitive market. The disappointment of the year came in Prompt Finance Inc. in America which continued to make trading losses. In addition an internal audit discovered further losses of £1.35 million, created by defective internal accounting procedures, most of which relate to previous years and which have now been written off.

Our Corporate Finance Division had a modest year in terms of results, but we nonetheless took the decision to increase the scale of its operations and to focus increasingly on the medium-sized listed company. This investment in the future is already starting to bear fruit, with an encouraging pipeline of work-in-progress.

Within our Investment Division, the development capital team turned in improved results and has already made several investments for its 1994 fund. After the previous year's excitement of the Business Expansion Scheme, our personal investment products company had a year of consolidation and now has some potentially interesting products in the pipeline. Towards the end of the period we took on a team specialising in risk-protected investment funds and investment management in smaller quoted companies. Our strategy is to continue to build up a range of specialist and distinct investment management businesses. We intend that, over time, the Investment Division will become an increasingly significant part of our group's activities.

Following last year's exceptional performance, Winterflood Securities nevertheless achieved an encouraging result despite lower levels of activity in the Stock Market for much of the period. The company continued to increase the number of stocks in which it deals, and is one of the key participants in the new, but growing, Alternative Investment Market. The new retail gilts market-making operation ended the year on a good note, after an unexciting start.

We have made some major strides in the funding of our group. On 22nd September, 1995 we announced details of a 1 for 5 Rights Issue, which will raise some £53.4 million net. It is anticipated that a large proportion of the Rights Issue proceeds will be invested, over time, in the capital of Close Brothers Limited, our banking subsidiary. This should enable us to continue to maintain prudent financial ratios in the future when we anticipate further substantial organic growth, particularly in our lending operations. The balance of the proceeds will enable us to strengthen our other merchant banking operations, provide further resources for the promotion of additional early stage or start-up ventures and provide greater flexibility in responding to acquisition opportunities as and when they arise.

"We have made some major strides in the funding of our group"

At the end of the financial year, we raised some £22 million of long term subordinated loan capital for our banking subsidiary by way of a private placement with large U.S. institutions. This issue counts as capital for regulatory purposes and will further support the continued growth of our lending operations. Our normal rolling programme of arranging term facilities from other banks also continued apace. At our year end we had some £422 million of term facilities and we intend to launch shortly a new 5 year syndicated loan facility led by Union Bank of Switzerland. Despite the dramatic events at Barings, we continue to enjoy the confidence of our depositors, with customer accounts slightly ahead of last year end.

We comply substantially with the recently published code of best practice of the Greenbury Committee on directors' remuneration as to disclosure requirements. Next year, the Remuneration Committee will make a separate report to shareholders on these matters. In the enclosed Notice of our Annual General Meeting, you will see that we are proposing a new Executive Share Option Scheme since our present one expires in November this year.

On 1st August, 1995, we were delighted to announce the appointment of four new executive directors — David Hardisty (Managing Director of Close Asset Finance), Stephen Hodges (Managing Director of Close Brothers Limited), Colin Keogh (Chief Executive of Close Brothers Limited) and Brian Winterflood (Managing Director of Winterflood Securities). I know that they will help contribute to the continuing development of the group.

I have reached retirement age and am retiring as Chairman and standing down from the board following this year's Annual General Meeting. It gives me great pleasure to pass the baton into the able hands of Michael Morley, who has an intimate knowledge of our business and wide ranging experience both of the City and of industry.

"We look forward to the future with confidence"

In our twentieth record year it is fitting that we have entered the FT-SE 250 (Mid-Cap) Index. The UK economy, to which most of our business is linked, is continuing to grow and our new year has got off to a good start. The new share capital will provide a springboard for further growth, both organically from existing businesses and also from new start-ups and acquisitions. We look forward to the future with confidence.

H.G. Ashton H. G. Ashton

H.G. Ashton
Chairman

12-03-96

Close Brothers

City Merchant Banking

Our Corporate Finance Division has had a modest year in terms of results but it has invested considerably in the future. We have decided to put further resources into increasing the size of the team, with growing emphasis on targeting medium-sized listed companies, which we believe that we are well placed to serve. We also believe that there will be an increasing amount of corporate activity in this general sector over the next few years.

"Our Corporate Finance Division has invested considerably in the future ... increasing the size of the team ... and targeting medium-sized listed companies"

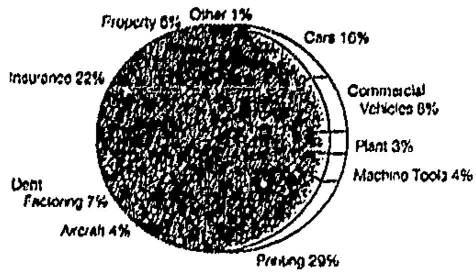
During the year we increased our number of clients and we now advise some 30 quoted companies. We intend to continue to increase not only the number of our clients but also their average size. The Division has started the new financial year with a good level of work-in-progress, and some potentially interesting transactions.

Our Commercial Lending Division, which accounts for some 7% of our overall loan portfolio, had another successful year maintaining the volume of advances. Fee income continued to grow and the low incidence of bad debts was also a feature of the year. Whilst competitive pressure on margins is increasing, by keeping our operation relatively small, but elite, we believe that we can continue to find a satisfactory number of attractive propositions.

The Treasury Division had a busy year and is performing an increasingly important function within the group's banking operations. Customer account deposits ended up higher than at the previous year end.

The vast majority of our lending operations are funded by committed term bank facilities rather than by, relatively short-term, deposits. As part of our rolling programme of organising such funding, we increased our committed term facilities to some £422 million at the year end. A particular highlight was a £105 million 4 year syndicated loan facility organised for us in December 1994 by Barclays Bank. We intend to launch shortly a new 5 year syndicated loan facility led by Union Bank of Switzerland. In both cases, such new facilities partly replace facilities which are about to expire and partly contribute additional finance to fund the continued growth of our loan book. Our strategy is to ensure that the maturity of our committed facilities exceeds that of our overall loan portfolio. We also continue to use interest rate swaps to avoid any substantial interest rate mismatch between our borrowing and our lending.

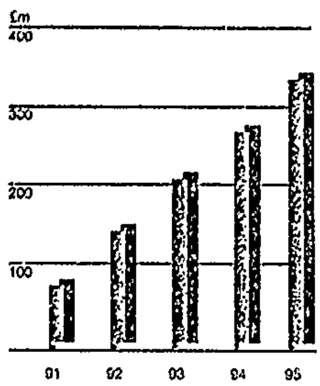
At 31st July, 1995 our group loans and advances totalled £492 million and we continued to hold security over a good mix of different types of assets.



Insurance Premium Financing

The volume of insurance premiums financed by PROMPT UK again reached record levels, increasing by some 24% to some £342 million. Over the last five years, volumes of premiums financed each year have grown by some 44% compound per annum.

Premiums Financed



This year's performance was even more impressive given the background of a soft insurance market which was reflected in some decrease in the size of the average case financed by PROMPT UK during the latter part of the period. This also coincided with greater competition in the market-place, with insurers marketing their own schemes more aggressively. Both factors, as well as the movement in short-term rates, led to a slight squeeze on margins.

Despite these conditions, PROMPT UK moved ahead and, thanks to its continuing investment in technology, was able to cope with the increased volumes without a commensurate rise in staff or overheads. With a leading position in the market and a comprehensive product range, PROMPT UK is well placed for future growth and has some potentially exciting strategic developments ahead.

Prompt Finance Inc. had a disappointing year. Losses on the normal trading of the year were incurred, which were partly due to intense competition and inadequate volumes and partly due to a squeeze on margins caused by the very rapid rise in short-term dollar interest rates at the beginning of the year. But, particularly in the second half of the year, there was a good increase in volumes due to successful marketing efforts. Following an internal audit further losses (amounting to some £1.35 million) were discovered late in the period, due mainly to defective accounting procedures and inadequate recording of bad debt provisions, most of which relate to previous years and which have now been written off. The position has been investigated, controls improved and a new finance director put into place. We are tackling this problem with vigour and redoubling our efforts to return to profitability.

Investment Management

Close Investment Management, our development capital company, had a buoyant year. Good progress was made in making some initial investments for its new 1994 fund. Realisation of existing investments in its previous 1988 fund were achieved, usually by way of a trade sale, at prices above the previous year end valuations. The historical outperformance of all our funds against the FT-SE All Share Index has therefore continued. We specialise in development capital transactions of less than £20 million. Competition in this sector of the market is increasing but we are continuing to attract a satisfactory deal flow.

> "Close Investment Management had a buoyant year"

Whilst not achieving the exceptional results of last year caused by the rush to invest in assured exit BES schemes before the change in their rules, Close Brothers Investment has nonetheless made good progress. The administration of some £350 million of BES investments in 102 separate companies has been smoothly carried out and we have launched several other personal investment products, ranging from Enterprise Zone Trusts to a company specialising in the purchase and leaseback of nursing homes to the burgeoning nursing home sector. We have several potentially exciting new products in the pipeline.

In May 1995 we announced the formation of Close Fund Management, a further rolling start-up where we have backed a well respected team specialising in both risk protected investment funds and investment management in smaller quoted companies.

Credit Management

Close Invoice Finance produced good results which were substantially ahead of the previous year, despite intense competition in the sector. Our marketing team achieved demanding targets for the number of new clients, although the average size of client taken on was somewhat smaller than we had planned. The factored turnover achieved by our clients continued to increase considerably during the period, although they borrowed less money than normal.

> "Close Invoice's results were substantially ahead of last year and existing clients' turnover increased considerably"

The operational side performed well, giving support to the marketing effort and concentrating on giving high levels of client service. Good controls, combined with better economic conditions, led to a low level of bad debts. The market, whilst competitive, still continues to be buoyant.

Business Advisory Services, which is one of the leading commercial debt collection and credit management agencies in the UK, had a difficult year. At this stage of the economic cycle companies are generally suffering less from payment problems from debtors. This has meant that our existing clients have passed over less debts for collection than usual, whilst new clients have been hard to come by. We expect these circumstances to change as the economic recovery continues.

12-03-96

Close Brothers

BAS took the opportunity during this period to improve its computer systems and also extended its main premises in Sheffield, so that it is well prepared for the anticipated upturn. BAS' data imaging subsidiary had another good year.

Market-Making

Winterflood ("WINS"), our market-making subsidiary, had a good year, although its results did not reach the exceptional levels of last year. Profit before tax amounted to £7.9 million compared to £13.6 million last year. This was a commendable performance, in the light of reduced levels of stock market activity, particularly in the first half of the period.

"Winterflood achieved a commendable performance in the light of reduced levels of stock market activity"

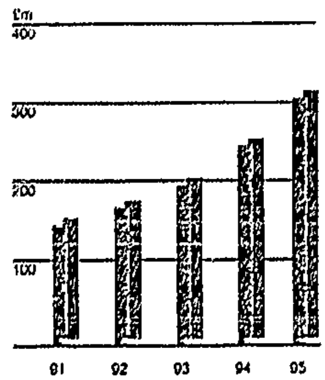
Winterflood again increased the number of stocks in which it acts as market-maker and, in the second half, it gave its full support to the Stock Exchange's new Alternative Investment Market ("AIM"), where it is already a leading market-maker. Although this new market has started with relatively few companies, we believe that the number will increase quite rapidly in the future.

Winterflood commenced its gilts market-making operation, which specialises in smaller sized bargains, in August last year. The initial start was encouraging but, in the ensuing months, activity in the gilts market was low and the markets were highly volatile. However, by the end of the period, we had established a good market share and activity had increased considerably. We believe that this will provide a good platform for the future and will make for a more balanced securities business.

Asset Finance

Our Asset Finance Division had another record year with a particularly strong performance from Close Asset Finance, which specialises in financing printing and other capital equipment. Volumes once again showed good growth and our net receivables increased by 24% from £254 million to £314 million. The table below shows the growth of our asset finance receivables over the last five years.

Net Receivables



Once again the new year has got off to a promising start and we anticipate continued organic growth from this division.

Close Asset Finance, with offices in Tolworth Tower (Kingston), Derby and Glasgow, had a sparkling year. Its new business volume increased by 30% from £110 million to £143 million and by the year end its loan portfolio was up by 24% from £180 million to £224 million. Favourable trading conditions together with low levels of arrears, repossessions and bad debts combined to produce a substantial increase in profits.

"Close Asset had a sparkling year ... substantial increase in profits"

Printing equipment continued to be the backbone of this company and the market for both new and used Heidelberg machines has continued to flourish. New business levels in our machine tools section continued their upward path and there was also some improved growth in our heavyweight coaches and commercial vehicles business compared to the previous year.

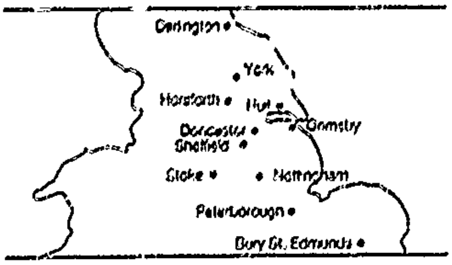
12-03-96

Air and General also had a record year with profits rising substantially. The new business transacted, which continues to be in the finance of light aircraft and helicopters in the UK, increased from £12 million to £15 million. This activity is also reflected in the year end loan book which advanced from £16 million last year to £21 million. Again, arrears and repossessions were minimal throughout the year.

"Air and General had a record year ... loan book grows to £21 million"

Close Consumer Finance had a satisfactory year given that it operates mainly in the used car market, which has become, and continues to be, highly competitive. New business edged ahead to £57 million but the year end loan book improved from £58 million to £69 million, partly as a result of a small acquisition of a business in Nottingham towards the end of the year.

We now trade in the UK from ten branches and we continue to seek expansion both by starting up new branches and also by taking over existing local businesses.



In addition, our Armed Services Finance division, based in Peterborough, continued to expand. The market for financing mainly new cars for UK service personnel based in Germany remains active, particularly as soldiers' tours of duty become shorter and turnover of personnel increases.

Conclusion

Once again all of our businesses have started the new financial year with good levels of activity. We expect that the new share capital will provide a springboard for further growth.

R. D. Kent
Managing Director

Close Brothers

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31st July, 1995.

Principal Activities

Close Brothers Group plc is the parent company of a group of companies engaged in merchant banking operations. The principal subsidiary companies as at 31st July, 1995 and their principal activities are listed in note 26 to these financial statements.

Results and Dividends

The consolidated results for the year are shown on page 17. The directors recommend a final dividend for 1995 of 5.8p (1994 — 5.0p) on each ordinary share which, together with the interim dividend of 2.9p, makes a total distribution for the year of 8.7p (1994 — 7.5p) per share. Movements on reserves are shown in note 21 to the financial statements.

Corporate Governance

The board of the company confirms compliance with applicable provisions of the Code of Best Practice set out in the Report of the Committee on the Financial Aspects of Corporate Governance (the Cadbury Report) for the year ended 31st July, 1995. The Cadbury Committee noted that companies would not be able to comply with the provision of the Code relating to reporting by directors on internal control until the necessary guidance for companies had been developed. The final form of such guidance was issued in December 1994 for implementation for accounting periods starting on or after 1st January, 1995. The applicable provisions for the year under review are therefore paragraphs 1 to 4.4 and 4.6 of the Code.

The financial statements are prepared on a going concern basis as the directors are satisfied that, at the time of approving the financial statements, the group has the resources to continue in business for the foreseeable future.

A summary of the company's arrangements is given below.

Board responsibilities:

The board, which currently comprises four non-executive directors and eight executive directors, meets regularly throughout the year (normally monthly) and deals with important aspects of the company's affairs including setting and monitoring strategy, reviewing performance, ensuring adequate financial resources and reporting to shareholders. The board has appointed the following committees with the following memberships and terms of reference:

Audit Committee (non-executive chairman and all other non-executive directors).

To review the scope and findings of the company's auditors, to commission any additional investigation work, to ensure the adequacy of accounting controls and procedures.

Remuneration Committee (non-executive chairman and all other non-executive directors).

To determine the remuneration of the executive directors and the senior executives of the group.

Nomination Committee (non-executive chairman, one non-executive director and one executive director).

To consider the appointment or retirement of directors, to review proposed nominations and make recommendations thereon to the board.

Statement of Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the group as at the end of the financial year and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and of the group and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The auditors are required to form an independent opinion on the financial

12-03-96

statements presented by the directors, based on their audit, and to report their opinion to the members. The Companies Act 1985 also requires the auditors to report to the members if the following requirements are not met:

- that the company has maintained proper accounting records;
- that the financial statements are in agreement with the accounting records;
- that directors' emoluments and other transactions with directors are properly disclosed in the financial statements; and
- that the auditors have obtained all the information and explanations which, to the best of their knowledge and belief, are necessary for the purpose of their audit.

Share Capital

Details of changes in the company's ordinary share capital during the year are given in note 20 to the financial statements.

Tangible Fixed Assets

Movements on tangible fixed assets are disclosed in note 12 to the financial statements.

Insurance

The company maintained directors and officers insurance cover during the year.

Charitable Contributions

Contributions made during the year for charitable purposes amounted to £13,198 (1994 — £6,600).

Substantial Interests

At 6th September, 1995 the following had notified the company that they were interested in 3% or more of the issued share capital of the company:

	Ordinary shares	%
Caledonia Investments plc	21,273,028	22.27
The Prudential Assurance Company Limited	8,459,046	8.85
A.M.P. Nominees Limited	5,436,994	5.69
Compagnie UAP	5,019,300	5.25
Refuge Assurance PLC	4,534,284	4.75
Commercial Union Assurance Company plc	3,706,716	3.88
Sun Alliance & London Assurance Company Limited	3,160,288	3.31
Co-operative Insurance Society Limited	3,142,856	3.29

Directors and Interests

(a) The present membership of the board is set out on page 2, all of whom served throughout the year with the exception of Mr. D.G. Hardisty, Mr. S.R. Hodges, Mr. C.D. Keogh and Mr. B.M. Winterflood who were appointed directors on 1st August, 1995.

(b) The directors' interests in the share capital of the company are shown below:

	Ordinary shares 31st July, 1995 or subsequent date of appointment	Ordinary shares 1st August, 1994
Beneficial interests:		
H. G. Ashton	12,528	12,528
Lord Cobbold	4,000	4,000
A. H. Farley	4,000	4,000
D. G. Hardisty	5,733	—
S. R. Hodges	257,890	—
R. D. Kent	602,145	648,510
C. D. Keogh	70,905	—
M. H. F Morley	11,428	11,428
P. J. Stone	659,786	656,150
J. G. T. Thornton	520,172	406,068
P. L. Winkworth	536,489	547,054
B. M. Winterflood	7,356	—
Non-beneficial interests:		
R. D. Kent	—	38,000

Mr. D.G. Hardisty is a director and minority shareholder in Close Asset Finance Limited. His beneficial interest in the share capital of that company at 1st August, 1995 was 28,000 £1 'B' ordinary shares.

Mr. J.G.T. Thornton is a director and minority shareholder in Close Investment Management Limited. At 31st July, 1995 he was beneficially interested in 1,950 £1 deferred 'A' ordinary shares of that company (1st August, 1994 — 3,250). At that date and on 1st August, 1994 he was also interested in 3.55% of the partnerships constituting The Close Investment 1988 Fund and 3.60% of the partnership constituting the Close Investment 1994 Fund.

Mr. B.M. Winterflood is a director of Winterflood Securities Limited. At 1st August, 1995 he had been granted options over 30,000 10p ordinary shares in that company at a price of £14.96 per share.

On 18th May, 1990 Caledonia Investments plc granted to each of Messrs. Kent, Stone and Winkworth options over 302,786 shares and to each of Messrs Hodges and Keogh options over 60,558 shares which it holds in the company at a price of 148.62p per share.

The above interests of the directors have remained unchanged since 31st July, 1995.

Close Brothers

Details of the options to subscribe for shares held by the directors under the company's sharesave, executive and senior bank executive share option schemes are given in note 3 to the financial statements.

(c) In accordance with the provisions of the Articles of Association Mr. M.H.F. Morley and Mr. P.L. Winkworth retire by rotation and, being eligible, offer themselves for re-election. Mr. P.L. Winkworth has a service contract which can be terminated on twelve months' notice. Mr. M.H.F. Morley does not have a service contract with the company.

Mr. D.G. Hardisty, Mr. S.R. Hodges, Mr. C.D. Keogh and Mr. B.M. Winterflood, having been elected since the last Annual General Meeting, retire in accordance with the provisions of the Articles of Association and, being eligible, offer themselves for re-election. Mr. D.G. Hardisty has a service contract for a fixed period to 1st October, 1996 which can thereafter be terminated on twelve months' notice; Mr. S.R. Hodges and Mr. C.D. Keogh have service contracts which can be terminated on less than 12 months' notice; and Mr. B.M. Winterflood has a service contract which can be terminated on two years' notice.

(d) The company has established an employee benefit trust in which all employees of the group, including executive directors, are potential beneficiaries. The trust currently owns 2,282,064 shares in the company which it acquired at an average cost of 233p per share.

Staff

It is the group's policy to give appropriate consideration to applications for employment from disabled persons, having regard to their particular aptitudes. For the purposes of training, career development and promotion, disabled staff, including any who become disabled in the course of their employment, are treated on equal terms with other employees.

Company Status

So far as the directors are aware the company is not a close company for taxation purposes.

Special Business at the Annual General Meeting

(a) Increase in Authorised Share Capital

A resolution will be proposed at the Annual General Meeting to increase the company's authorised share capital from £37.5 million to £50.0 million by the creation of an additional 50.0 million ordinary shares of 25p each.

(b) Authority to Purchase Own Shares

At the last Annual General Meeting the company was given authority to make market purchases of up to approximately 15% of its issued share capital. This authority, which will expire at the conclusion of the Annual General Meeting, has not been used by the directors. Nevertheless your board considers it would be appropriate to renew the authority. Share purchases would only be made after the most careful consideration and where the directors believed that they were in the best interests of the company, taking into account other available investment opportunities and the overall financial position of the group. Accordingly, a special resolution will be proposed at the Annual General Meeting to authorise the company to purchase not more than 18,016,000 of its 25p ordinary shares, being approximately 15% of the issued share capital of the company immediately following the rights issue announced on 22nd September, 1995.

The maximum price which may be paid will not be more than 5% above the average of the middle market quotations for the ordinary shares as derived from the London Stock Exchange Daily Official List for the ten business days before the purchase is made. The minimum price will be the par value. The directors would only begin to purchase shares after considering the criteria referred to above.

The authority will expire on whichever date is the earlier of the date 18 months from the date the special resolution is passed and the date of the 1996 Annual General Meeting. Details of shares purchased pursuant to the authority will be notified to the London Stock Exchange and to the Registrar of Companies and will be disclosed in the 1996 Annual Report.

12-03-96

(c) Directors' Authority to Allot Shares

A resolution will be proposed at the Annual General Meeting to grant the directors authority to allot unissued shares of the company up to a nominal amount of £10,008,000. The authority, if granted, will last for a period of five years from the date of passing of the resolution.

(d) Waiver of Pre-Emption Rights

It is proposed to renew, until the next Annual General meeting, the directors' flexibility to issue shares for cash other than strictly pro rata to existing shareholders. This authority will be limited to a nominal amount of £1,501,000 which represents approximately 5% of the issued share capital immediately following the rights issue. The directors will comply with the guidelines of the Investment committees of the Association of British Insurers and the National Association of Pension Funds to the effect that no more than 7.5% of the issued share capital should be allotted for cash on a non pre-emptive basis in any three year period.

(e) Executive Share Option Scheme

The 1985 Executive Share Option Scheme expires in November this year. It is proposed to renew these arrangements and a resolution will be proposed at the Annual General Meeting to approve a new Executive Share Option Scheme under which all options can only be exercised if certain performance related targets are achieved.

(f) Number of Directors

Following the appointment of four additional directors on 1st August, 1995, the board of directors is currently at its maximum number permitted by the Articles of Association. To allow for future appointments, when appropriate, a resolution will be proposed at the Annual General Meeting to increase the maximum number of directors permitted by the Articles of Association from 12 to 16.

Auditors

Touche Ross & Co. have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the Annual General Meeting.

By order of the Board
T.D. CANSICK *Secretary*
22nd September, 1995

12-03-96

Close Brothers

REPORT OF THE AUDITORS

Auditors' Report to the Members of Close Brothers Group plc

We have audited the financial statements on pages 17 to 37 which have been prepared under the accounting policies set out on page 21.

Respective responsibilities of directors and auditors

As described on page 12 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 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 circumstances of the company and the group, 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 affairs of the company and the group as at 31st July, 1995 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Auditors' Report to Close Brothers Group plc on Corporate Governance matters

In addition to our audit of the financial statements, we have reviewed the directors' statement on page 12 on the company's compliance with the paragraphs of the Code of Best Practice specified for our review by the London Stock Exchange. The objective of our review is to draw attention to non-compliance with those paragraphs of the Code which is not disclosed.

We carried out our review in accordance with Bulletin 1995/1 'Disclosures relating to corporate governance' issued by the Auditing Practices Board. That Bulletin does not require us to perform the additional work necessary to, and we do not, express any opinion on the effectiveness of either the company's system of internal financial control or its corporate governance procedures nor on the ability of the company to continue in operational existence.

Opinion

With respect to the directors' statement on going concern on page 12, in our opinion the directors have provided the disclosures required by paragraph 4.6 of the Code (as supplemented by the related guidance for directors) and such statement is not inconsistent with the information of which we are aware from our audit work on the financial statements.

Based on enquiry of certain directors and officers of the company, and examination of relevant documents, in our opinion the directors' statement on page 12 appropriately reflects the company's compliance with the other paragraphs of the Code specified for our review.

Touche Ross & Co.
Chartered Accountants
and Registered Auditors

Hill House, 1 Little New Street, London EC4A 3TR
22nd September, 1995

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31st July, 1995

	Note	1995	1994
		£'000	£'000
Interest receivable		77,805	63,175
Interest payable		(36,620)	(27,785)
Net interest income		41,185	35,390
Dividend income		701	143
Fees and commissions receivable		17,120	25,838
Fees and commissions payable		(5,533)	(11,164)
Net dealing income - market-making		18,716	25,224
Other operating income		2,285	1,500
Other income		33,289	41,541
Operating income		74,474	76,931
Administrative expenses	2	35,649	37,484
Depreciation and amortisation	12	1,840	1,546
Provisions for bad and doubtful debts	9	3,029	4,846
Total operating expenses		40,518	43,876
Profit on ordinary activities before taxation	4	33,956	33,055
Taxation on profit on ordinary activities	5	11,794	10,989
Profit on ordinary activities after taxation		22,162	22,066
Minority interests - equity		1,073	2,211
Profit attributable to shareholders		21,089	19,855
Dividends:			
Interim dividend 2.9p (1994 — 2.5p)		2,761	2,260
Proposed final dividend 5.8p (1994 — 5.0p)		5,793	4,520
		8,554	6,780
Retained profit for the year	21	12,535	13,075
Earnings per share	32	22.6p	22.1p

All income and profits are in respect of continuing operations

Close Brothers

CONSOLIDATED BALANCE SHEET

At 31st July, 1995

	Note	1995	1994
		£'000	£'000
Assets			
Cash and balances at central banks		994	596
Loans and advances to banks	7	194,089	194,876
Loans and advances to customers	8	491,684	405,537
Debt securities – certificates of deposit	10	62,918	10,007
Debt securities – gilts long positions	10	22,728	—
Settlement accounts		78,642	53,978
Equity shares – long positions	11	14,262	14,022
Equity shares – investments	11	9,785	5,817
Tangible fixed assets	12	8,285	7,166
Other assets		31,076	18,072
Prepayments and accrued income		9,356	4,528
Total assets		923,819	714,599
Liabilities			
Deposits by banks	13	100,418	78,554
Customer accounts	14	173,954	163,537
Bank loans and overdrafts	15	285,135	206,544
Debt securities in issue – loan notes	16	54,422	54,422
Debt securities in issue – gilts short positions		23,053	—
Settlement accounts		65,145	47,600
Equity shares – short positions		8,015	7,984
Other liabilities	17	64,766	42,778
Accruals and deferred income		11,375	8,385
Provisions for liabilities and charges – deferred taxation	18	1,179	2,113
Subordinated loan capital	19	21,937	—
Minority interests – equity		2,354	4,460
		811,753	616,377
Shareholders' funds			
Called up share capital	20	23,884	22,600
Share premium account	21	40,073	31,163
Other reserves	21	942	4,005
Profit and loss account	21	47,167	40,454
Total equity shareholders' funds		112,066	98,222
Total liabilities and shareholders' funds		923,819	714,599
Memorandum items			
Contingent liabilities – guarantees	22	1,310	340
Commitments – other	23	53,078	40,979

Approved by the Board of Directors on 22nd September, 1995

H. G. Ashton } Directors
R. D. Kent }

H. G. Ashton.

12-03-96

COMPANY BALANCE SHEET

At 31st July, 1995

	Note	1995	1994
		£'000	£'000
Fixed assets			
Investments in subsidiaries	26	74,162	63,303
Tangible fixed assets	12	907	838
Equity shares	11	5,323	—
		80,392	64,141
Current assets			
Debtors	27	20,973	24,097
Creditors: Amounts falling due within one year	28	12,088	10,856
Net current assets		8,885	13,241
Total assets less current liabilities		89,277	77,382
Creditors: Amounts falling due after more than one year	29	19,173	23,173
Deferred taxation	18	15	23
		70,089	54,186
Capital and reserves			
Share capital	20	23,884	22,600
Reserves	21	46,205	31,586
Total equity shareholders' funds		70,089	54,186

Approved by the Board of Directors on 22nd September, 1995

H. G. Ashton }
R. D. Kent } *Directors*

H. G. Ashton

Close Brothers

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31st July, 1995

	1995	1994
	£'000	£'000
Profit attributable to shareholders	21,089	19,855
Net investment profit for the year after taxation	172	2,547
Exchange adjustment	(78)	(60)
	21,183	22,342

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st July, 1995

	Note	1995	1994
		£'000	£'000
Net cash inflow from operating activities	30(a)	55,913	77,976
Returns on investments and servicing of finance:			
Ordinary dividends paid		(7,281)	(5,697)
Dividends paid to minority shareholders in subsidiaries		—	(640)
Net cash outflow from returns on investments and servicing of finance		(7,281)	(6,337)
Taxation:			
UK corporation tax paid		(12,396)	(8,645)
Investing activities:			
Investments in subsidiaries	30(b)	(12,002)	(2,324)
Purchase of a subsidiary	30(c)	(2,158)	—
Purchase of tangible fixed assets		(3,515)	(4,276)
Sale of tangible fixed assets		537	479
Purchase of equity shares held for investment purposes		(2,145)	(880)
Sale of equity shares held for investment purposes		3,438	1,559
Net cash outflow from investing activities		(15,845)	(5,442)
Net cash inflow before financing		20,391	57,552
Financing:			
Share capital (including premium)	30(d)	10,194	2,718
Subordinated loan capital	30(d)	21,937	—
Increase in cash and cash equivalents	30(e)	52,522	60,270

In the directors' view cash and cash equivalents are an integral part of the operating activities of the group, since they are a bank's stock in trade. Nevertheless as required by Financial Reporting Statement No. 1 cash and cash equivalents are not treated as cash flow from operating activities but are required to be shown separately in accordance with the format above.

THE NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

(a) Format of financial statements
The group financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to banking groups and those of the company in accordance with section 226 of, and Schedule 4 to, the Companies Act 1985. The financial statements are prepared in accordance with applicable accounting standards.

(b) Accounting convention
The financial statements have been prepared under the historical cost convention, modified by the revaluation of equity shares, gilts and investment properties.

(c) Fees and commissions receivable
Fee and commission income are taken to the profit and loss account when invoiced except for fees from certain monitoring and administration services which accrue on a day to day basis and are invoiced in arrears.

(d) Net dealing income
Net dealing income includes the net profit arising from both buying and selling securities and from positions held in securities.

(e) Loans and advances
Loans and advances are stated net of provisions against doubtful debts which are made on the basis of regular review by management.

(f) Finance leases and instalment finance
Finance leases are recognised as loans at the minimum lease payments receivable less finance charges.
Finance charges on both hire purchase obligations and leases are taken to income in proportion to the net funds invested after deducting, where applicable, a fixed percentage in respect of set-up costs.
Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the period of the leases.

(g) Equity shares and gilts
The long and short positions in equity shares and gilts represent the aggregate of trading positions in individual securities arising respectively from a net bought and net sold position and are valued at the dealers' bid and offer prices respectively at the close of business on the balance sheet date.
Equity shares held for investment purposes are included in the balance sheet at middle market values if listed other than shares held by the employee benefit trust which are shown at cost, and at directors' valuation if unlisted.
Realised surpluses and losses on the group's investment portfolio held by Safeguard Investments plc, an investment company as defined by section 266 of the Companies Act 1985, are taken to realised reserves. Unrealised appreciation and depreciation is dealt with through unrealised reserves.

(h) Investments in subsidiaries
Investments in subsidiaries are stated at cost less provision for permanent diminution in value.

(i) Depreciation
The provision for depreciation on premises and equipment is calculated to write off the cost of fixed assets over their estimated useful lives by equal annual instalments as follows:—

Freehold and long leasehold property	2.5%
Office machinery and furniture	10%—20%
Motor vehicles	25%
Short leasehold property	over the length of the lease

No depreciation is provided in respect of freehold investment properties. Such properties are revalued annually by the directors and any adjustment below cost is transferred to the profit and loss account.

(j) Foreign currencies
Foreign currency deposits and advances are translated into sterling at the rates of exchange ruling at the balance sheet date. Translation differences are taken to the profit and loss account. Differences on exchange, arising from the translation of the opening net investment in the overseas subsidiary and from the translation of the results of that company at an average rate, are taken to reserves.

(k) Deferred taxation
Deferred taxation is provided in full in respect of unrealised appreciation of investments held at the year end at the anticipated rates of taxation and on material timing differences arising from the inclusion of items of income and expenditure in taxation computations covering periods different from those for which they are included in financial statements, to the extent that it is probable that a liability or asset will crystallise in the future.

(l) Goodwill
Goodwill arising on the acquisition of business assets, representing the excess of the purchase consideration over the fair value ascribed to the net tangible assets, is written off to reserves in the year of acquisition.

(m) Pensions
The cost of providing pensions is charged to the profit and loss account so as to spread the cost over the anticipated service lives of employees in the schemes.

12-03-96

Close Brothers

2. Administrative expenses

	1995	1994
	£'000	£'000
Staff costs:		
Wages and salaries	19,308	20,106
Social security costs	2,034	1,981
Other pension costs	1,549	1,379
	22,891	23,466
Other administrative expenses	12,758	14,018
	35,649	37,484

The average number of persons employed by the group during the year was 491 (1994 — 445).

3. Information regarding directors

	1995	1994
	£'000	£'000
Directors' emoluments:		
Fees of directors	54	95
Salaries	1,046	964
Other benefits	42	27
Annual performance related payments	305	340
Long term performance related payments	—	—
Company pension contributions	237	222
	1,684	1,648

The following table shows a breakdown of the remuneration of individual directors for the year ended 31st July, 1995:—

	Salaries and fees	Benefits	Performance related payments Annual	Performance related payments Long term	Total 1995	Total 1994	Company pension contributions 1995	Company pension contributions 1994
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Executive:								
R.D. Kent	285	7	100	—	392	391	67	62
P.J. Stone	268	9	70	—	347	347	63	60
J.G.T. Thornton	188	12	65	—	265	255	44	40
P.L. Winkworth	268	8	70	—	346	339	63	60
Non-Executive:								
H.G. Ashton	40	6	—	—	46	44	—	—
Lord Cobbold	17	—	—	—	17	11	—	—
A.H. Farley	17	—	—	—	17	15	—	—
M.H.F. Morley	17	—	—	—	17	16	—	—
	1,100	42	305	—	1,447	1,418	237	222

Messrs D.G. Hardisty, S.R. Hodges, C.D. Keogh and B.M. Winterflood were appointed directors on 1st August, 1995, following the year end, and no emoluments are shown for them.

Income in respect of executive directors' external non-executive directorships is paid to the company.

During the year Messrs R.D. Kent and P.L. Winkworth exercised options and realised gains of respectively £227,000 and £113,000, and Mr. J.G.T. Thornton received value of £298,000 in respect of his interest in the partnerships constituting The Close Investment 1988 Fund.

3. Information regarding directors *continued*
Annual performance related payments include allocations under Inland Revenue approved profit related pay and profit sharing schemes and also include amounts awarded by the Remuneration Committee on a discretionary basis. Long term performance related payments are partially discretionary and partially linked to upward movement in the company's share price over an extended period. The linked element is based upon a notional number of ordinary shares which were allocated to the executive directors in 1993 at a price of 150p per share as follows:

R.D. Kent	1,000,000
P.J. Stone	650,000
J.G.T. Thornton	200,000
P.L. Winkworth	450,000

Long term performance related emoluments will not become payable, if at all, until after 30th September, 1996 and will be included within the disclosed remuneration of directors when paid. Accumulated provisions of £2,441,000 were made in previous periods. Material additional payments, if any, would be made either by distribution or from the sale of shares from the employee benefit trust and would not therefore result in a charge to profit and loss account.

Directors' share options:
Unexercised options over ordinary shares held by directors under the company's sharesave, executive and senior bank executive share option schemes were as follows:

	1st August, 1994	Granted during the year	Exercised during the year	31st July, 1995	Weighted average exercise price	Market price at date of exercise
R.D. Kent	1,362,536	—	(200,000)	1,162,536	105.68p	229p
P.J. Stone	1,332,254	—	—	1,332,254	105.73p	—
J.G.T. Thornton	232,130	—	—	232,130	107.87p	—
P.L. Winkworth	1,332,254	9,857	(100,000)	1,242,111	103.22p	229p

The directors appointed on 1st August, 1995 have the following unexercised options over ordinary shares under the company's sharesave, executive and senior bank executive share option schemes:

	1st August, 1995	Weighted average exercise price
D.G. Hardisty	—	—
S.R. Hodges	423,156	128.72p
C.D. Keogh	614,392	120.03p
B.M. Winterflood	9,374	184.00p

The exercise price of options granted during the year, which were under the sharesave scheme, was 175.00p. No options lapsed during the year. On 22nd September, 1995 options were exercised by Mr. S.R. Hodges (274,524), Mr. R.D. Kent (980,865), Mr. C.D. Keogh (462,010), Mr. P.J. Stone (1,150,583), Mr. J.G.T. Thornton (80,000) and Mr. P.L. Winkworth (1,050,583), all of which were sold except for 187,486 retained by Mr. C.D. Keogh. Save for this the interests of directors in options have remained unchanged since 31st July, 1995. The mid-market price of the company's shares at 31st July, 1995 was 307p and the range during the year was 204p to 307p.

Close Brothers

THE NOTES

4. Profit on ordinary activities before taxation	1995	1994
	£'000	£'000
The profit on ordinary activities before taxation is stated after crediting:		
Income from listed investments	57	24
and after charging:		
Auditors' remuneration:		
Audit fees	232	228
Other fees	127	133
Operating lease rentals payable	1,687	1,207

Aggregate rentals received in respect of finance leases and hire purchase contracts amounted to £141,173,000 (1994 — £116,406,000).

Substantially all of the group's activities are located in the UK. The directors are of the opinion that merchant banking activities account for over 90% of the group profits and net assets. Accordingly segmental reporting does not apply.

5. Taxation on profit on ordinary activities	1995	1994
	£'000	£'000
Corporation tax at 33% (1994 — 33%)	12,510	12,680
Tax deducted at source on franked investment income	107	36
Overseas taxation	—	(120)
Deferred taxation	(627)	(1,571)
Prior year adjustment	(196)	(36)
	11,794	10,989

The taxation charge is high in relation to profits owing to the inclusion in the profit and loss account of items of expenditure which are not allowable for taxation purposes.

6. Profit of parent company

As permitted by section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year, before dividends payable, amounted to £14,263,000 (1994 — £3,715,000).

7. Loans and advances to banks	1995	1994
	£'000	£'000
Repayable:		
On demand	4,656	3,030
Within three months	188,433	191,846
Between three months and one year	1,000	—
	194,089	194,876

8. Loans and advances to customers	1995	1994
	£'000	£'000
Loans and advances comprise:		
Loans and advances to customers	197,145	166,471
Hire purchase agreement receivables	229,773	182,837
Finance lease receivables	64,766	56,229
	491,684	405,537

Loans and advances are stated net of provisions.

The aggregate cost of assets acquired for the purpose of letting under finance leases and hire purchase agreements was £567,635,000 (1994 — £391,561,000).

	1995	1994
	£'000	£'000
Loans and advances are repayable:		
On demand or at short notice	50,555	40,871
Within three months	95,012	69,517
Between three months and one year	137,376	120,296
Between one and five years	204,569	167,556
After five years	13,740	16,674
Provisions	(9,568)	(9,377)
	491,684	405,537

9. Provisions for bad and doubtful debts	1995	1994
	£'000	£'000
At 1st August, 1994	9,377	9,211
Charge for the year	3,029	4,846
Acquisition of subsidiary	342	—
Amounts written off	(3,142)	(4,673)
Exchange adjustment	(38)	(7)
At 31st July, 1995	9,568	9,377

10. Debt securities	1995	1994
	£'000	£'000
Held for trading purposes:		
Certificates of deposit	62,918	10,007
Gilts long positions	22,728	—

Gilts long positions are accounted for on the basis outlined in note 1(g) and comprise UK gilt edged securities held by Winterflood Gilts Limited. £605,000 were due to mature within one year and £22,123,000 were due to mature in one year and over. That company's gilts short positions, which are shown in the consolidated balance sheet, are £23,053,000 (1994 — £Nil).

At both 31st July, 1995 and 1994 the certificates of deposit were issued by banks, were due to mature within one year and were unlisted.

12-03-96

11. Equity shares

	Trading 1995	Trading 1994	Investment 1995	Investment 1994	Total 1995	Total 1994
	£'000	£'000	£'000	£'000	£'000	£'000
Group						
Listed on London Stock Exchange	14,262	14,022	5,984	1,280	20,246	15,302
Unlisted	—	—	3,801	4,537	3,801	4,537
	14,262	14,022	9,785	5,817	24,047	19,839
Company						
Listed on London Stock Exchange	—	—	5,323	—	5,323	—

Equity shares are accounted for on the basis outlined in note 1(g).

All trading shares are held by Winterflood Securities Limited and form that company's long positions. Its short positions, which are shown in the consolidated balance sheet, are £8,015,000 (1994 — £7,984,000).

The historical cost of equity shares held for investment purposes is as follows:

	Group 1995	Group 1994	Company 1995	Company 1994
	£'000	£'000	£'000	£'000
Listed on London Stock Exchange	6,137	835	5,323	—
Unlisted	2,153	2,611	—	—
	8,290	3,446	5,323	—

The movement on equity shares held for investment purposes is as follows:

	Group 1995	Company 1995
	£'000	£'000
At 1st August, 1994	5,817	—
Reclassifications	5,323	5,323
Additions	2,145	—
Disposals	(3,438)	—
Unrealised deficit on revaluation	(62)	—
At 31st July, 1995	9,785	5,323

Statutory information relating to holdings in excess of 10% is shown in note 34.

The equity shares held by the company relate to the company's ordinary shares held by the employee share benefit trust.

12. Tangible fixed assets

	Land and buildings	Office machinery and furniture	Motor vehicles	Total
Group	£'000	£'000	£'000	£'000
Cost or valuation				
At 1st August, 1994	2,605	6,256	2,811	11,672
Additions	688	1,325	1,438	3,451
Acquisition of subsidiary	—	27	64	91
Disposals	—	(211)	(1,167)	(1,378)
Exchange adjustment	(8)	(19)	(2)	(29)
At 31st July, 1995	3,285	7,378	3,144	13,807
Depreciation				
At 1st August, 1994	98	3,340	1,068	4,506
Charge for the year	75	1,067	698	1,840
Acquisition of subsidiary	—	16	11	27
Disposals	—	(158)	(683)	(841)
Exchange adjustment	(1)	(8)	(1)	(10)
At 31st July, 1995	172	4,257	1,093	5,522
Net book value at 31st July, 1995	3,113	3,121	2,051	8,285
Net book value at 31st July, 1994	2,507	2,916	1,743	7,166
Company				
Cost or valuation				
At 1st August, 1994	502	336	—	838
Additions	53	50	—	103
Transfer from subsidiary	—	105	—	105
Disposals	—	—	—	—
At 31st July, 1995	555	491	—	1,046
Depreciation				
At 1st August, 1994	—	—	—	—
Charge for the year	37	48	—	85
Transfer from subsidiary	—	54	—	54
Disposals	—	—	—	—
At 31st July, 1995	37	102	—	139
Net book value at 31st July, 1995	518	389	—	907
Net book value at 31st July, 1994	502	336	—	838

The net book value of land and buildings comprises:

	Group		Company	
	1995	1994	1995	1994
	£'000	£'000	£'000	£'000
Investment properties at valuation:				
Freehold	815	815	—	—
Other properties at cost:				
Freehold	1,254	831	—	—
Long leasehold	205	211	—	—
Short leasehold	839	650	518	502
	3,113	2,507	518	502

Freehold investment properties were valued on an investment basis by the directors on 31st July, 1995. The historical cost of such properties was £865,000.

Close Brothers

THE NOTES

13. Deposits by banks	1995	1994
	£'000	£'000
Repayable:		
On demand	600	3,240
Within three months	77,509	46,814
Between three months and one year	21,309	27,500
Between one and five years	1,000	1,000
	100,418	78,554

14. Customer accounts	1995	1994
	£'000	£'000
Repayable:		
On demand	14,224	10,472
Within three months	140,091	107,307
Between three months and one year	19,639	45,758
	173,954	163,537

15. Bank loans and overdrafts	1995	1994
	£'000	£'000
Repayable:		
On demand	4,117	3,860
Within three months	24,603	2,795
Between three months and one year	100,402	47,389
Between one and two years	42,866	100,000
Between two and five years	113,147	52,500
	285,135	206,544

16. Debt securities in issue — loan notes	1995	1994
	£'000	£'000
Notes repayable after one year	54,422	54,422

The notes, which are U.S.$ denominated and which have been hedged under an exchange rate and interest rate contract, are repayable in three equal annual instalments between 9th June, 2000 and 12th June, 2002 and arose from a private placement with a group of U.S. insurance companies.

12-03-96

17. Other liabilities

	1995	1994
	£'000	£'000
Current corporation tax	12,739	12,641
Proposed dividend	5,793	4,520
Loans from money brokers against stock advanced	21,984	—
Other liabilities	24,250	25,617
	64,766	42,778

18. Provisions for liabilities and charges – deferred taxation

	1995	1994
Group	£'000	£'000
Capital allowances	3,115	3,753
Short term and other timing differences	(488)	(510)
Advance corporation tax recoverable	(1,448)	(1,130)
	1,179	2,113
Company		
Short term timing differences	39	68
Advance corporation tax recoverable	(24)	(45)
	15	23

Full provision has been made for deferred taxation since the timing differences may not continue in the future.

19. Subordinated loan capital

	1995	1994
	£'000	£'000
Subordinated loan capital 2010	21,937	—

The subordinated loan capital was issued by Close Brothers Limited on 28th July, 1995 and is initially denominated in sterling, converting in the year 2005 to U.S. dollars 35,000,000. The final maturity date is 28th July, 2010 and there is an option in favour of Close Brothers Limited to prepay the sterling amount in the year 2005. Interest is payable in sterling at a fixed rate of 10.07% p.a. until July 2005; thereafter interest is payable at a margin over the 5 year U.S. Treasury rate, payable in U.S. dollars. There are no circumstances in which early repayment can be demanded other than upon the passing of a winding up order in respect of Close Brothers Limited, in which case the subordinated loan capital is subordinated to the claims of all unsubordinated creditors, including depositors. The subordinated loan capital is guaranteed by the company.

12-03-96

Close Brothers

THE NOTES

20. Share capital

	1995 No.'000	1995 £'000	1994 No.'000	1994 £'000
Authorised				
Ordinary shares of 25p each	150,000	37,500	150,000	37,500
Allotted, issued and fully paid				
At 1st August, 1994	90,398	22,600	44,059	11,015
Issued during the year	4,189	1,047	45,576	11,394
Exercise of options	947	237	763	191
At 31st July, 1995	95,534	23,884	90,398	22,600

The following options to subscribe for ordinary shares have been granted under the sharesave, executive and senior bank executive share option schemes to 130 employees:—

Year of grant	Exercise period	Exercise price per share	1995 Number	1994 Number
1987	2nd November, 1990 to 1st November, 1997	108.99p	70,650	141,300
1987	2nd November, 1992 to 1st November, 1997	108.99p	1,189,690	1,255,292
1988	11th October, 1993 to 10th October, 1998	90.17p	889,522	990,450
1989	20th October, 1994 to 19th October, 1999	123.85p	498,588	611,630
1990	28th September, 1994 to 30th July, 1999	106.51p	1,041,813	1,639,074
1990	31st July, 1995 to 30th July, 1999	106.51p	1,639,074	1,639,074
1990	31st July, 1996 to 30th July, 1999	106.51p	819,544	819,544
1990	16th October, 1993 to 15th October, 2000	114.94p	4,036	4,036
1990	16th October, 1995 to 15th October, 2000	114.94p	181,668	181,668
1993	29th October, 1996 to 28th October, 2003	224.00p	141,000	141,000
1993	29th October, 1998 to 28th October, 2003	224.00p	564,000	564,000
1993	1st February, 1999 to 31st July, 1999	184.00p	385,064	404,560
1994	4th November, 1997 to 3rd November, 2004	236.00p	78,000	-
1994	4th November, 1999 to 3rd November, 2004	236.00p	312,000	-
1994	1st December, 1999 to 1st May, 2000	175.00p	119,644	-
1995	17th March, 1998 to 16th March, 2005	244.00p	33,000	-
1995	17th March, 2000 to 16th March, 2005	244.00p	77,000	-
			8,044,293	8,391,628

On 22nd September, 1995 the company announced an underwritten one for five rights issue of 20,018,104 new ordinary shares of 25p each at a price of 275p per share to raise approximately £53.4 million after expenses, and options over 4,556,153 shares were exercised at an average price of 106.33p per share.

12-03-96

21. Reserves

Group	Share premium account	Other reserves Unrealised	Other reserves Realised	Profit and loss account
	£'000	£'000	£'000	£'000
At 1st August, 1994	31,163	1,856	2,149	40,454
Retained profit for the year	—	—	—	12,535
Net investment profit/(loss) for the year after tax	—	(55)	227	—
Exchange adjustment	—	(78)	—	—
Shares issued for cash on additional investment in a subsidiary	8,145	—	—	—
Shares issued for cash net of expenses	765	—	—	—
Goodwill arising on acquisitions and changes in investments in subsidiaries	—	—	(3,157)	(5,822)
Transfer from unrealised to realised reserves	—	(781)	781	—
At 31st July, 1995	40,073	942	—	47,167

The cumulative goodwill written off against reserves since the formation of the group is £27,819,000 (1994 — £18,840,000).

Company	Share premium account	Distributable reserves	Total
	£'000	£'000	£'000
At 1st August, 1994	31,085	501	31,586
Retained profit for the year	—	5,709	5,709
Shares issued for cash on additional investment in a subsidiary	8,145	—	8,145
Shares issued for cash net of expenses	765	—	765
At 31st July, 1995	39,995	6,210	46,205

Reconciliation of movement in shareholders' funds	1995	1994
	£'000	£'000
Profit for the financial year	21,089	19,855
Dividends	(8,554)	(6,780)
	12,535	13,075
Other recognised gains and losses relating to the year	94	2,487
Shares issued for cash net of expenses	10,194	2,718
Goodwill arising on changes in investments in subsidiaries	(8,979)	(1,509)
Net addition to shareholders' funds	13,844	16,771
Opening shareholders' funds	98,222	81,451
Closing shareholders' funds	112,066	98,222

Close Brothers

THE NOTES

22. Contingent liabilities

Memorandum items:

There are group contingent liabilities in respect of guarantees arising in the normal course of business amounting to £1,310,000 (1994 — £340,000). All of these guarantees are recoverable from other parties.

Other contingent liabilities:

The company has given guarantees in respect of amounts drawn under subsidiaries' bank facilities amounting to £281,623,000 (1994 — £202,870,000). In addition, the company has given guarantees in respect of U.S.$ loan notes issued by a subsidiary of £54,422,000 (1994 — £54,422,000), subordinated loan capital issued by a subsidiary of £21,937,000 (1994 — £nil) and interest rate contracts entered into by subsidiaries with an interest liability of £15,500 (1994 — £250,000) at 31st July, 1995.

The company or, where relevant, Close Brothers Limited is committed to purchase on demand all minority shareholdings in its subsidiaries at an agreed fair valuation at varying dates in the period to October, 2003.

23. Commitments	1995	1994
	£'000	£'000
Memorandum items:		
Undrawn facilities, credit lines and other commitments to lend		
— Within one year	51,917	40,671
— After one year	1,161	308
	53,078	40,979

Other commitments:

Subsidiaries had contracted capital commitments relating to capital expenditure of £239,000 (1994 — £89,000) and authorised commitments not contracted for of £394,000 (1994 — £430,000).

Annual commitments under non-cancellable operating leases at 31st July, 1995 were as follows:

	Premises
	£'000
Expiring:	
Within one year	51
Within two to five years	522
After five years	1,164
	1,737

24. Interest rate and exchange rate contracts	1995	1994
	£'000	£'000
Interest rate contracts:		
Contract amount	209,780	199,277
Credit risk weighted amount	400	641
Exchange rate contracts:		
Contract amount	73,428	81,249
Credit risk weighted amount	734	812

Interest rate and exchange rate contracts are entered into for hedging purposes.

The credit risk weighted amounts have been prepared in accordance with Bank of England principles and are intended to give an indication of credit risk.

12-03-96

25. Assets and liabilities in foreign currencies
The aggregate amounts of assets and liabilities denominated in foreign currencies were as follows:

	1995	1994
	£'000	£'000
Assets	95,450	82,672
Liabilities	95,224	80,533

Due to exchange rate contracts the above does not represent the group's exposure to foreign exchange rate movements.

26. Investments in subsidiaries

	1995	1994
Company	£'000	£'000
Investments in direct subsidiaries:		
Business Advisory Services (Holdings) Limited	6,096	6,221
Close Brothers Holdings Limited	526	526
Close Brothers Limited	18,742	18,742
Close Brothers Trust Limited	4	4
Close Fund Management Limited	920	—
Close Investment Management Limited	996	402
Close Properties Limited	5,000	5,000
Safeguard Investments plc	17,885	17,885
Winterflood Securities Limited	23,993	14,523
	74,162	63,303

The company's principal subsidiaries at 31st July, 1995, all of which are registered in England and Wales and operate in Great Britain, with the exception of Prompt Finance Incorporated which is registered and operates in the United States of America, were:

Name of company	Principal activity	Percentage of equity held
Close Brothers Limited	Merchant banking	100
Air and General Finance Limited	Aircraft financing	100
Business Advisory Services (Holdings) Limited	Credit management and debt collection	99
Close Asset Finance Limited	Asset financing	95
Close Brothers Investment Limited	Personal investment products	87
Close Consumer Finance Limited	Car financing	92
Close Fund Management Limited	Structured investment funds	100
Close Investment Management Limited	Development capital	95
Close Invoice Finance Limited	Debt factoring and invoice discounting	96
Prompt Finance Incorporated	Insurance premium financing	95
Safeguard Investments plc	Investment company	100
Winterflood Securities Limited	Market-making	99

Close Brothers

26. Investments in subsidiaries *continued*

During the year the company acquired additional issued share capital in the following subsidiaries:

	Percentage of equity acquired	Consideration £'000
Close Investment Management Limited	3.50	594
Winterflood Securities Limited	16.34	9,470

Also during the year the company acquired a 100 per cent. equity interest in Close Fund Management Limited by the acquisition of ordinary shares for a cash consideration of £920,000. In addition Business Advisory Services (Holdings) Limited redeemed £125,000 of subordinated loan capital.

The goodwill arising from the additional investment in subsidiaries amounting to £8,650,000 was charged to reserves.

In April 1995 the group acquired 100 per cent. of the issued ordinary share capital of TIL (Finance) Limited for a consideration including acquisition costs of £156,000.

The goodwill arising on the acquisition has been written off to reserves.

The book and fair value of the net liabilities were the same and comprised:

	£'000
Tangible fixed assets	64
Loans and advances to customers	1,843
Prepayments and accrued income	7
	1,914
Bank loans and overdrafts	2,002
Other liabilities	8
Accruals and deferred income	76
Deferred taxation	1
	2,087
Net liabilities acquired	173
Consideration:	
Cash (including acquisition costs)	156
Goodwill transferred to reserves	329

Also during the year the group acquired a further 1.73 per cent. equity interest in Close Asset Finance Limited for a consideration of £704,000.

12-03-96

27. Debtors	1995	1994
Company	£'000	£'000
Amounts falling due within one year:		
Amounts owed by subsidiaries	16,559	15,431
Prepayments and accrued income	297	345
Advance corporation tax recoverable	1,791	1,410
Corporation tax recoverable	878	506
	19,525	17,692
Amounts falling due after one year:		
Other debtors	—	5,275
Advance corporation tax recoverable	1,448	1,130
	1,448	6,405
	20,973	24,097

28. Creditors: Amounts falling due within one year	1995	1994
Company	£'000	£'000
Taxation and social security	1,448	1,130
Amounts owed to subsidiaries	1,145	1,424
Accruals and deferred income	3,702	3,782
Proposed dividend	5,793	4,520
	12,088	10,856

29. Creditors: Amounts falling due after more than one year	1995	1994
Company	£'000	£'000
Loan from subsidiary	19,173	23,173

The loan is interest-free and carries no fixed repayment date.

12-03-96

30. Consolidated cash flow statement

	1995	1994
(a) Reconciliation of profit on ordinary activities before taxation to net cash inflow from operating activities	£'000	£'000
Profit on ordinary activities before taxation	33,956	33,055
Increase in interest receivable and prepaid expenses	(4,828)	(1,026)
Increase/(decrease) in interest payable and accrued expenses	3,053	(1,977)
Net increase in settlement accounts	(7,119)	(741)
Net increase in equity shares held for trading purposes	(209)	(1,951)
Net gilts held for trading purposes	325	—
Depreciation and amortisation	1,840	1,546
Exchange adjustment	19	3
Net cash inflow from trading activities	27,037	28,909
Net increase in loans and advances to customers	(86,147)	(76,500)
Net increase in deposits by banks	21,864	18,387
Net increase in customer accounts	10,417	61,130
Net increase in debt securities in issue—loan notes	—	54,422
Net increase/(decrease) in bank loans and overdrafts	80,593	(10,192)
Net decrease in other assets and liabilities	2,227	2,394
Exchange adjustment	(78)	(80)
Non cash movements	—	(514)
Net cash inflow from operating activities	55,913	77,976
(b) Analysis of net outflow of cash and cash equivalents in respect of investments in subsidiaries		
Subordinated loan capital redeemed	125	—
Shares acquired for cash	(920)	—
Minority interests acquired for cash	(2,623)	(2,324)
Minority interests acquired for shares issued	(8,145)	—
Business acquired for cash	(439)	—
	(12,002)	(2,324)
(c) Analysis of net outflow of cash and cash equivalents in respect of the purchase of a subsidiary		
Cash consideration	(156)	—
Bank overdraft acquired	(2,002)	—
	(2,158)	—
(d) Analysis of changes in financing		
Share capital (including premium):		
At 1st August, 1994	53,763	51,045
Shares issued for cash	10,194	2,718
Subordinated loan capital issued	21,937	—
At 31st July, 1995	85,894	53,763

	Movement in the year	1995	1994
	£'000	£'000	£'000
(e) Analysis of cash and cash equivalents as shown on the balance sheet			
Cash and balances at central banks	398	994	596
Loans and advances to banks	(787)	194,089	194,876
Debt securities—certificates of deposit	52,911	62,918	10,007
	52,522	258,001	205,479

12-03-96

31. Pensions
The group operates a defined contribution and a defined benefits pension scheme for directors and employees respectively and in addition a subsidiary operates its own defined benefit scheme.

Assets of all schemes are held separately from those of the group.

The pension charge for the period was £1,549,000 (1994 — £1,379,000).

Contributions of the group defined benefits scheme are determined by an independent qualified actuary based on triennial valuations using the aggregate cost method. The most recent actuarial valuation was at 31st July, 1994, when the market value of the assets of this scheme was £3,708,000 representing 103% of the benefits accrued to members allowing for future earnings increases. Future contributions to be made by the company under actuarial advice will meet all pension obligations. A 1% per annum differential between investment returns and salary increases, and a 3% per annum increase in pensions in payment, are assumed.

32. Earnings per share
The calculation of earnings per share is based on profit after taxation of £21,089,000 (1994 — £19,855,000) and on 93,462,000 ordinary shares being the weighted average number of shares in issue during the year (1994 — 89,791,000 shares).

33. Transactions with directors
Close Brothers Limited (an authorised institution under the Banking Act 1987) has made loans and overdraft facilities to certain directors of the company on normal commercial terms. The aggregate amount outstanding at 31st July, 1995 in respect of such loans was £6,000 (1994 — £4,000) and the number of directors was 4 (1994 — 3).

During the year Safeguard Investments plc paid a management fee to Close Investment Management Limited of £44,000 (1994 — £30,000). A director, Mr J.G.T. Thornton, is also a minority shareholder in Close Investment Management Limited and on 17th July, 1995 he disposed of 40% of his holdings in that company for a consideration of £306,000 satisfied by the issue of 110,469 ordinary shares in the company.

None of the other directors had an interest in any contracts entered into by the company during the year.

34. Additional information on investments
The group has a 10% or more interest in the equity share capital of System Offices Group Limited which is incorporated in Great Britain.

Close Brothers

PRINCIPAL OPERATING COMPANIES

City Merchant Banking

Close Brothers Limited
Corporate Finance
Commercial Lending
Treasury

12 Appold Street
London EC2A 2AA
Telephone: 0171 426 4000
Fax: 0171 426 4044

Executive Directors:
C. D. Keogh — Chief Executive
S. R. Hodges — Managing
T. D. Cansick
J. A. B. Kelly
H. A. Lloyd
D. C. Pusinelli
P. H. Reeve
R. D. Sellers
S. C. Willes
P. N. Williamson

Senior Management:
M. I. Dack
M. J. Darroch-Thompson
J. McTaggart
M. Napier
R. H. Norman
M. H. Orkin — Treasurer
M. G. Wright

Insurance Premium Financing

PROMPT UK

12 Appold Street
London EC2A 2AA
Telephone: 0171 426 0610
Fax: 0171 426 4008

Senior Management:
S. R. Robinson — Managing
R. M. Darling
K. R. Barnes
Miss M. Ely
Mrs L. A. Mooney

Prompt Finance Inc.

30 Monument Square
P.O. Box 9119
Concord MA 01742 U.S.A.
Telephone: 001 508 369 4700
Fax: 001 508 371 7134

Executive Directors:
E. N. Wickfield — President
Ms. S. E. Callahan
M. E. Stryczek
Ms. L. W. Willingham

Investment Management

Close Investment Management Limit
Development Capital

12 Appold Street
London EC2A 2AA
Telephone: 0171 426 4000
Fax: 0171 426 4004

Executive Directors:
J. G. T. Thornton — Chairman
J. T. Snook — Managing
N. MacNay
N. J. Murphy

Senior Management:
W. E. Davis
G. McConnell
S. R. Wildig

Close Brothers Investment Limited
Personal Investment Products

12 Appold Street
London EC2A 2AA
Telephone: 0171 426 4000
Fax: 0171 426 4040

Executive Directors:
C. V. Reader — Managing
R. H. Bruce
P. D. Roscrow

Senior Management:
N. A. Cook
D. E. Sherman

Close Fund Management Limited
Structured Investment Funds

12 Appold Street
London EC2A 2AA
Telephone: 0171 426 4000
Fax: 0171 426 4024

Executive Directors:
M. Gordon — Managing
R. L. Bolchover — Deputy Managing
R. A. J. Kitson

Senior Management:
N. R. Barratt
M. E. Chadney

PRINCIPAL OPERATING COMPANIES

Credit Management

Close Invoice Finance Limited
Debt Factoring and Invoice Discounting
Southbrook House, 25 Bartholomew Street
Newbury RG14 5LL
Telephone: 01635 31517
Fax: 01635 31703
Executive Directors:
L. M. Bland — Managing
L. P. Newsome
R. A. Walker
J. M. Yates
Senior Management:
Ms. S. J. Harsant
M. J. Klein
Ms. C. M. Langron
F. Nonoo
Ms. J. S. Seymour
P. J. Shaughnessy

Business Advisory Services (Holdings) Limited
Debt Collection Agency
Longley Hall, Longley Lane
Sheffield S5 7FB
Telephone: 0114 242 6628
Fax: 0114 256 1793
Executive Directors:
R. Mountain — Managing
R. Brown
M. R. Smith
Senior Management:
P. L. Butt
D. D. McQuinn

Market-Making

Winterflood Securities Limited
Market-Making
Walbrook House, 23-29 Walbrook
London EC4N 8LA
Telephone: 0171 621 0004
Fax: 0171 623 9482
Executive Directors:
B. M. Winterflood — Managing
M. A. Hines
D. J. Macnamara
S. A. Myers
J. S. Palfreyman
G. P. Russell
I. A. Throssell
A. M. V. Ireland — Gilts
B. R. Pearl — Gilts
Senior Management:
N. D. Feeny

Asset Finance

Close Asset Finance Limited
Asset Financing
Tolworth Tower
Ewell Road
Tolworth, Surbiton
Surrey KT6 7EL
Telephone: 0181 390 8201
Fax: 0181 390 6168
Executive Directors:
D. G. Hardisty — Managing
M. Booker
I. McDonald
N. G. Poxon
R. H. Stone
Senior Management:
P. E. Curtis
N. T. Hamilton
J. W. C. Rendall
K. F. Spratt

Air and General Finance Limited
Aircraft Financing
Tolworth Tower
Ewell Road
Tolworth, Surbiton
Surrey KT6 7EL
Telephone: 0181 390 9444
Fax: 0181 390 8211
Executive Directors:
V. L. Cannock — Chairman
D. G. Hardisty — Managing
R. P. Kearsey
A. F. Smith

Close Consumer Finance Limited
Car Financing
Britannia House
70/72 Silver Street
Doncaster DN1 1HT
Telephone: 01302 738822
Fax: 01302 760399
Executive Directors:
J. Lewis — Managing
S. P. Wozniak

12-03-96

Close Brothers

ADDITIONAL INFORMATION

Calendar

Annual General Meeting	3rd November, 1995
Payment of final dividend	6th November, 1995
Announcement of interim results	Early March, 1996
Payment of interim dividend	Mid April, 1996
Announcement of final results	Late September, 1996

Capital Gains Tax

For the purposes of Capital Gains Tax the market value of the company's shares at 31st March, 1982, adjusted to take account of subsequent share issues, up to 31st July, 1995, was 25.02p.

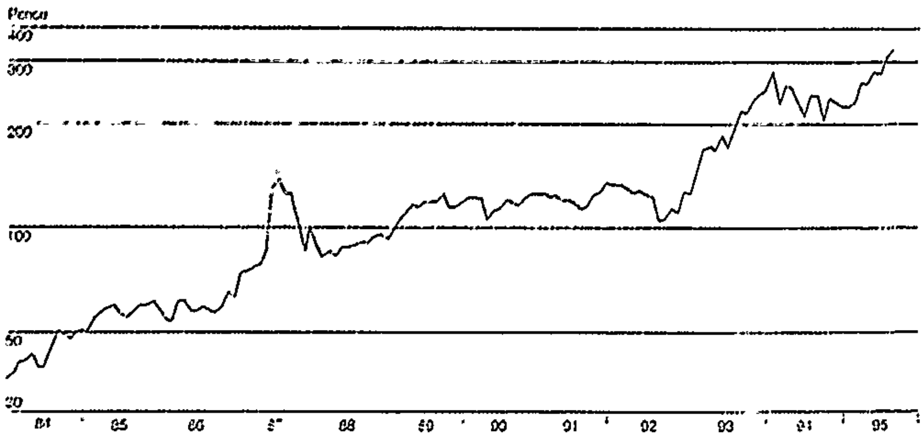
Registrars

Independent Registrars Group Limited
Broseley House
Newlands Drive, Witham
Essex CM8 2UL
Telephone: 01376 516755
Fax: 01376 510609

Company Communication

Registered Office: 12 Appold Street
London EC2A 2AA
Telephone: 0171 426 4000
Fax: 0171 426 4044
Company No. 520241

Share Price



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