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Temple Bar Investment Trust Limited

AN ELECTRA HOUSE COMPANY

Report and Accounts
31st December 1977

Temple Bar Investment Trust Limited

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the fifty-second Annual General Meeting of Temple Bar Investment Trust Limited will be held at 11.0 a.m. on Thursday, 30th March, 1978 at Electra House, Temple Place, Victoria Embankment, London:—

to lay before the Members of the Company the Balance Sheet as at 31st December, 1977 and the Revenue Account for the year ended on that date, together with the Reports of the Directors and Auditors thereon,

to declare a dividend,

to elect Directors,

to re-appoint the Auditors and authorise the Directors to fix their remuneration,

to transact any other ordinary business of the Company and, as Special Business, to consider and, if thought fit, to pass the following resolutions which will be proposed as Ordinary Resolutions:—

Resolution A
That the authorised capital of the Company be and it is hereby increased from £4,951,204 to £10,000,000 by the creation of a further 20,195,184 Ordinary Shares of twenty five pence each and that when any such new Shares are issued and fully paid they shall be converted *ipso facto* into Ordinary Stock of the Company.

Resolution B
That pursuant to the recommendation of the Directors a sum of £3,311,477 (three million three hundred and eleven thousand four hundred and seventy seven pounds) being part of the amount standing to the credit of the Company's Reserves be capitalised and accordingly that the Directors be and they are hereby authorised and directed to appropriate the sum resolved to be capitalised to the members who at the close of business on Friday, 10th March, 1978 were the holders of the existing Ordinary Stock of the Company, in proportion to the amount of such Ordinary Stock held by them respectively, and to apply such sum on their behalf in paying up in full 13,245,908 (thirteen million two hundred and forty five thousand nine hundred and eight) of the unissued Ordinary Shares of twenty five pence each of the Company such shares to be allotted credited as fully paid up and distributed as Ordinary Stock ranking *pari passu* with the existing Ordinary Stock to and amongst such members in the proportion aforesaid (that is to say in the proportion of one unit of twenty five pence of Ordinary Stock for each unit of twenty five pence of Ordinary Stock then held by such persons respectively) with power for the Directors to make arrangements for dealing with matters in accordance with Article 134 of the Articles of Association of the Company.

Dated this 3rd day of March, 1978.

By Order of the Board of Directors
J. P. CRAZE
for Electra Group Services Limited
Secretaries

Electra House,
Temple Place,
Victoria Embankment,
London.

Notes

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend the Meeting and, on a poll, to vote instead of him and that proxy need not be a Member of the Company. A form of proxy is enclosed for your use.

2. Holders of the Company's Preference Stocks are reminded that under the Articles of Association they are **not** entitled to attend or vote at this Annual General Meeting.

3. The Report of the Directors and the Accounts are sent to the holders of the Company's 4½ per cent. First Debenture, 5¾ per cent. Convertible Unsecured Loan and 6 per cent. Convertible Unsecured Loan Stocks in accordance with section 158 of the Companies Act 1948 but such holding(s) does/do **not** entitle the holder(s) to attend the Annual General Meeting.

4. The Register of Directors' Interests kept by the Company in accordance with secti[illegible] of the Companies Act 1967 will be open for inspection at the Annual General Meeting.

5. No Director has a contract of service with the Company.

Temple Bar Investment Trust Limited

A member of The Association of Investment Trust Companies

Board of Directors

Alastair F. Roger, *Chairman*
A. W. Anderson
C. H. Black, M.A., LL.B.
The Hon. E. D. G. Davies
G. W. Fyfe, C.A.
R. Scott Brown, M.A., LL.B.
Professor R. Smith, B.A., M.Sc., Ph.D.(Econ.)

Investment Managers

Electra Group Services Limited
(Investment Director—C. H. Black, M.A., LL.B.)
Electra House, Temple Place, Victoria Embankment, London, WC2R 3HP

Secretaries and Registered Office

Electra Group Services Limited
(Secretary—J. P. Craze, A.C.I.S.)
Electra House, Temple Place, Victoria Embankment, London, WC2R 3HP

Transfer Office

Lloyds Bank Limited
Registrar's Department, Goring-by-Sea, Worthing, West Sussex, BN12 6DA

Auditors

Hays Allan, *Chartered Accountants*
Southampton House, 317 High Holborn, London, WC1V 7NL

Bankers

Midland Bank Limited
Bank of Montreal

Temple Bar Investment Trust Limited

Chairman's Statement

Merger and Change of Name

On 19th August, 1977, the Company merged with, and acquired the undertaking of, the company now known as Temple Bar Investment Trust (Realisation) Limited. On that day, too, the Company changed its name from Telephone and General Trust Limited.

Ordinary Stockholders in Temple Bar Investment Trust (Realisation) Limited received 5 units of this Company's Ordinary Stock for every 7 units of that company's Ordinary Stock. Holders of that company's 6 per cent. (then 4.2 per cent. plus tax credit) Cumulative Preference Stock and holders of that company's 5¾ per cent. Convertible Unsecured Loan Stock respectively received identical amounts of this Company's 4.2 per cent. Cumulative Preference Stock and 5¾ per cent. Convertible Unsecured Loan Stock. Such securities were allotted on 19th August, 1977 and certificates were made available on 16th September, 1977. In an attempt to avoid any confusion, I would stress that certificates issued by this Company prior to 19th August, 1977 under its former name of Telephone and General Trust Limited, remain fully valid despite the change in the Company's name.

Directors

On the merger becoming effective, the Hon. Edward D. G. Davies (a Director of Temple Bar Investment Trust (Realisation) Limited) was appointed a Director of the Company. Mr. R. Scott Brown, Investment Manager with and a Director of East of Scotland Investment Managers Limited, was appointed a Director on the 23rd January, 1978.

My colleagues and I welcome the wide experience in the field of investment management which both bring to the Board.

Results for the Year and Dividend

Contrary to the intention, expressed in the documents issued in connection with the merger, that the figures in respect of Temple Bar Investment Trust (Realisation) Limited would only be brought into the Accounts of the Company after the merger for the period from and including 19th August, 1977 to 31st December, 1977, the Accounts now presented include the figures for both companies for the full year. The comparative figures for the previous year have been restated as if the merger had been in force for the whole of the year ended 31st December, 1976 and as at that date.

This method of presentation gives a more realistic and comparable view of the results and enables stockholders to see immediately the benefits of the merger.

Revenue Performance

Basic earnings for the year per Ordinary Stock unit show an increase of approximately 12 per cent. over the previous year, an increase in line with the year-on-year increase in the Retail Price Index. At the time of the merger, the Directors stated that they intended to pay, in March, 1978, a dividend on the increased Ordinary Share Capital of the Company for the period from 19th August to 31st December, 1977 of not less than 2.45p per stock unit. In the event, and as a result of the increase in earnings, the Directors will be recommending to the Annual General Meeting the payment of a final dividend for the year of 3.45p per unit, an increase in the total dividend, over the forecast 8.5p, of 11.8 per cent.

Capital Performance

Net asset value per Ordinary Stock unit increased by just over 33 per cent. during the year under review, a creditable outcome. Over the same period, the FT Industrial Ordinary Share Index rose by 36.8 per cent. and the FT Actuaries All Share Index by 41.2 per cent. The U.S. Standard and Poors Composite Index, adjusted for changes in the exchange rate and the investment currency premium, fell by 28.6 per cent., producing, despite only a small overseas content, a drag on the capital performance of the Company.

"Scrip" Issue

The market price of one unit of the Company's Ordinary Stock at the time of writing this statement is approximately 170p. Your Directors consider first that the issued capital of the Company should more suitably reflect the capital employed by the Company and secondly that the making of a "Scrip" issue and the consequent reduction of the market price per unit would create greater marketability for the stock and thereby prove of advantage to the stockholders.

Investment Policy

The year under review has been one of rationalisation and consolidation in anticipation of, and following, the merger. Your Board's principal object is to remain predominantly invested in high yielding United Kingdom listed equities, but always bearing in mind the need to preserve, and indeed, increase the capital value of the assets under management. The intention is gradually to reduce the percentage of assets represented by companies with large market capitalisations in favour of building up holdings in the medium sized and, in some cases, smaller (that is under twenty million pounds) capitalised concerns where an even higher initial yield should be obtained. This is a process that has already started but it must be emphasised that it will take a considerable period of time before the balance of the portfolio is significantly altered. As will be noted from the list of twenty largest equity holdings appearing on page sixteen of these Accounts, the great majority of the holdings still consist of interests in companies with large market capitalisations. However, it will be of interest to stockholders to know that many of the next forty or so largest equity holdings are in companies with equity market capitalisations of middling size as mentioned above and it can be expected that, with the passage of time, such holdings will assume even greater importance in your Company's portfolio.

By way of example of the trend that is gradually taking place in the list of the United Kingdom equity holdings, 46 per cent. by value of such United Kingdom assets is now held in companies with equity market capitalisations of over £100 million as against 50 per cent. last year, 12 per cent. is now held in companies in the £15 million to £30 million bracket (10 per cent.) and 22 per cent. in the £30 million to £100 million bracket (20 per cent.).

The Future

At present, it is anticipated that the earnings of the Company for the current year are likely to be slightly higher than those of last year. On this basis, even if the holders of substantial amounts of the Company's Convertible Unsecured Loan Stocks exercise their option to convert into Ordinary Stock, the Company should be able at least to maintain the total dividend for the year at the equivalent of 9.5p per unit on the existing capital or, if the "Scrip" Issue referred to above is effected, at a rate of 4.75p per unit.

Capital Gains

As you may have noticed in the Press, the Association of Investment Trust Companies has asked the Chancellor of the Exchequer to amend the present method of taxing the capital gains of investment trusts and of their stockholders. The effect of the proposed amendment, which your Board supports, would be to exempt investment trusts from tax on capital gains and to tax the investment trust stockholder on any gains on disposal of his stock on a similar footing to gains realised on other non-investment or unit trust holdings. The argument for such a change is that the present system imposes a tax on capital gains made by the trust regardless of the fact that the ultimate beneficiary, the stockholder, may, for a variety of reasons, be exempt from tax on capital gains. This indirect tax on such capital gains discourages the purchase of stock in investment trusts by such potential investors.

Staff

I cannot conclude my statement without placing on record your Board's appreciation of the efforts made by the staff of Electra Group Services Limited on behalf of your Company this year, particularly for dealing with the merger and bringing it to a satisfactory conclusion.

27th February, 1978

ALASTAIR F. ROGER

Temple Bar Investment Trust Limited

Report of the Directors
for the year ended 31st December, 1977

The Directors present the Balance Sheet as at 31st December, 1977 and the Revenue Account for the year ended on that date.

Changes of Name
As part of the arrangements made in connection with the merger referred to below, the Company changed its name from Telephone and General Trust Limited on 19th August, 1977 and on the same day the former Temple Bar Investment Trust Limited changed its name to Temple Bar Investment Trust (Realisation) Limited.

The two companies are referred to throughout this Report and Accounts by their present names.

Conversion of 6 per cent. Convertible Unsecured Loan Stock 1987/91
On 31st May, 1977 holders of £24,974 of the Company's 6 per cent. Convertible Unsecured Loan Stock 1987/91 exercised their right to convert such stock into Ordinary Stock of the Company and £2,684.75 of such Ordinary Stock was allotted to them.

Merger
The merger of the Company with Temple Bar Investment Trust (Realisation) Limited in accordance with a Scheme of Arrangement and Amalgamation dated 4th March, 1977 became effective on 19th August, 1977. On that day the following securities were allotted by the Company:—

(a) £1,068,092.25 nominal of Ordinary Stock to the holders of £1,495,329 Ordinary Stock in Temple Bar Investment Trust (Realisation) Limited;

(b) £384,704 nominal of 4.2 per cent. Cumulative Preference Stock to the holders of £384,704 6 per cent. (then 4.2 per cent. plus tax credit) Cumulative Preference Stock in that company; and

(c) £1,000,000 nominal of 5¾ per cent. Convertible Unsecured Loan Stock 1985/90 to the holders of £1,000,000 nominal of 5¾ per cent. Convertible Unsecured Loan Stock 1985/90 of that company.

The undertaking of Temple Bar Investment Trust (Realisation) Limited was acquired on that date.

The accounts for the year ended 31st December, 1977 include the earnings and expenses of both companies for that year. The comparative figures for the previous year have been restated as if the merger had been in force throughout the previous year and at 31st December, 1976.

"Scrip" Issue
The Directors are recommending the capitalisation of the sum of £3,311,477 being part of the amount standing to the credit of the Company's Reserves and the making of a "Scrip" Issue on the basis of one Ordinary Share of twenty-five pence (to be converted into Ordinary Stock) for each Ordinary Stock Unit of twenty-five pence held by members at the close of business on Friday, 10th March, 1978. The appropriate resolution and a resolution effecting an increase in the Company's authorised capital are set out in the Notice of Annual General Meeting on page one. Subject to the passing of those resolutions the new Ordinary Stock will rank *pari passu* in all respects with the existing Ordinary Stock of the Company and the first dividend payable on the new Stock will be the interim dividend in respect of the year ending 31st December, 1978. An application will be made to the Council of The Stock Exchange for a listing for the new Ordinary Stock. Renounceable Stock Certificates will be posted to stockholders on Friday, 31st March, 1978 and it is anticipated that dealings on The Stock Exchange will commence on Monday, 3rd April, 1978.

No issue of authorised but unissued capital will be made which would effectively change the control of the Company or the nature of its business without the prior approval of the Company in general meeting.

Principal Activity and Status
The principal activity of the Company remained unchanged throughout the year and is that of an investment trust. The Inland Revenue has approved the Company as an investment trust for the purposes of Section 359 of the Income and Corporation Taxes Act 1970 (as amended) for the year ended 31st December, 1976 and its affairs have been directed so as to enable it to continue to seek such approval in respect of the year ended 31st December, 1977.

Temple Bar Investment Trust (Realisation) Limited has been approved by the Inland Revenue as an investment trust for the purposes of Section 359 of the Income and Corporation Taxes Act 1970 (as amended) for the period 1st January to 18th August, 1977.

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Earnings and Appropriations

The earnings of the Company, before providing for taxation, amount to	£2,207,380
Taxation takes	811,069
and leaves available a sum of	£1,396,311
Out of this sum dividends for the year on the 7 per cent. (now 4.9 per cent. plus tax credit) Preference Stock required	£27,759
and dividends for the year on the 4.2 per cent. Preference Stock required	16,224
An interim dividend of 6.05p per stock unit on the Ordinary Stock was paid on 16th September, 1977	542,899
a special interim dividend of 4.0p per stock unit on the Ordinary Stock of Temple Bar Investment Trust (Realisation) Limited was paid on 16th September, 1977	239,252
and the Directors now recommend that a final dividend of 3.45p per stock unit be paid on 31st March, 1978 to those persons who are the registered holders of stock on 10th March, 1978	456,984
	1,283,118
The retained earnings of Temple Bar Investment Trust (Realisation) Limited for the period 1st January to 18th August, 1977 transferred to Capital Reserves amounted to	60,532
thus leaving to be added to Revenue Reserves a sum of	52,661
	£1,396,311

Directors

Messrs. A. F. Roger, A. W. Anderson, C. H. Black and G. W. Fyfe and Professor R. Smith were Directors of the Company throughout the year 1977. The Hon. E. D. G. Davies was appointed a Director of the Company on 19th August, 1977. No other person was a Director during any part of that year. Mr. R. Scott Brown was appointed a Director of the Company on 23rd January, 1978.

The Hon. E. D. G. Davies and Mr. R. Scott Brown now retire in accordance with Article 90 of the Company's Articles of Association and the Director retiring by rotation is Mr. C. H. Black. Being eligible, they offer themselves for re-election.

According to the Register of Directors' Interests the total amount of the beneficial interests of each of the Directors in the Company's Stocks was as set out below:—

	Ordinary Stock Units of 25p each		7 per cent. (now 4.9 per cent.) Cumulative Preference Stock Units of £1 each		4.2 per cent. Cumulative Preference Stock Units of £1 each	
	31st December 1977	1st January 1977*	31st December 1977	1st January 1977*	31st December 1977	19th August 1977*
A. F. Roger	11,987	6,617	206	206	—	—
A. W. Anderson	7,340	6,087	206	206	360	360
C. H. Black	1,714	1,000	—	—	—	—
Hon. E. D. G. Davies	1,428	1,428	—	—	—	—
G. W. Fyfe	3,792	1,512	206	206	—	—
Prof. R. Smith	2,071	1,000	—	—	—	—

	$5\frac{3}{4}$ per cent. Convertible Unsecured Loan Stock		6 per cent. Convertible Unsecured Loan Stock	
	31st December 1977	19th August 1977*	31st December 1977	1st January 1977*
A. F. Roger	—	—	£2,000	£2,000
A. W. Anderson	£500	£500	£350	£350
C. H. Black	—	—	—	—
Hon. E. D. G. Davies	—	—	—	—
G. W. Fyfe	£532	£532	£500	£500
Prof. R. Smith	—	—	—	—

* or date of appointment

Temple Bar Investment Trust Limited

Report of the Directors *(continued)*

No Director had, at any date, any interest in the Company's First Debenture Stock.

No changes in the interests shown above occurred between 31st December, 1977 and 27th February, 1978.

Mr. R. Scott Brown purchased 1,000 of the Company's Ordinary Stock Units of 25p each on 24th January, 1978.

Substantial Stockholders

As at 27th February, 1978 the Company had been advised by Pearl Assurance Company Limited that it held 959,619 of the Company's Ordinary Stock Units of 25p each (7.24 per cent. of such units in issue). No other person had indicated an interest in five per cent. or more of the Company's Ordinary Stock.

Contracts

There were no contracts subsisting during or at the end of the financial year in which a Director of the Company is or was materially interested and which is or was significant in relation to the Company's business.

Electra Group Services Limited

The Company has a contract with Electra Group Services Limited for the provision of administrative and investment management services. Mr. C. H. Black, the Hon. E. D. G. Davies and Mr. G. W. Fyfe are Directors of that company.

Political and Charitable Donations

During the year under review the sum of £750 was given to the Conservative Party. The sum of £250 was given for charitable purposes.

Auditors

A resolution proposing the re-appointment of the Auditors, Hays Allan, and authorising the Directors to fix their remuneration will be considered at the Annual General Meeting.

By Order of the Board of Directors
J. P. CRAZE
for Electra Group Services Limited
Secretaries

Electra House,
Temple Place,
Victoria Embankment,
London.

27th February, 1978.

Temple Bar Investment Trust Limited

Summary of Results and Financial Calendar

1. Summary of Results

	1977	*1976*
Revenue attributable to Ordinary Stockholders	£1,352,328	*£1,205,689*
Basic earnings per stock unit of 25p	10.213p	*9.110p*
Dividend per stock unit of 25p (adjusted)	9.355p	*8.533p*

	31st December 1977	*1976*
Investments at Valuation	£36,243,738	*£27,124,480*
Net assets available to Ordinary Stockholders	£31,882,413	*£23,939,280*
Net asset value per stock unit of 25p	240$\frac{5}{8}$p	*180$\frac{7}{8}$p*
Net assets after deduction of prior charges at market value	£31,915,895	*£25,839,701*
Net asset value per stock unit of 25p after deduction of prior charges at market value	240$\frac{7}{8}$p	*195$\frac{1}{8}$p*

The figures set out above have been arrived at in accordance with Notes 1 and 6 on pages 11 and 12.

2. Financial Calendar

Dividends on the Ordinary Stock are normally paid at the end of March and October, those on the 7 per cent. (now 4.9 per cent. plus tax credit) Cumulative Preference Stock on, or about, 1st February and 1st August and those on the 4.2 per cent. Cumulative Preference Stock on, or about, 1st January and 1st July.

Interest on the 4$\frac{1}{2}$ per cent. First Debenture Stock is paid on, or about, 1st March and 1st September.

Interest on the 5$\frac{3}{4}$ per cent. and 6 per cent. Convertible Unsecured Loan Stocks is paid on, or about, 30th June and 31st December.

The Report and Accounts are normally despatched about the beginning of March and the Annual General Meeting held at the end of March.

Temple Bar Investment Trust Limited

Revenue Account
for the year ended 31st December, 1977

	£	£	*1976* £	*1976* £
Revenue (Note 2)				
Franked Investment Income		1,828,822		*1,663,179*
Unfranked Investment Income		389,131		*471,428*
Group Income		26,136		*23,760*
Interest Receivable		243,606		*97,705*
Gross Revenue		2,487,695		*2,256,072*
Interest Payable and Expenses				
Interest Payable (Note 3)	184,900		*188,885*	
Management Expenses	81,288		*70,561*	
Auditors' Remuneration	3,850		*3,100*	
Directors' Emoluments (Note 4)	10,277	280,315	*10,700*	*273,246*
Earnings before Taxation		2,207,380		*1,982,826*
Taxation (Note 5)		811,069		*735,974*
Earnings after Taxation and before Extraordinary Item (Of this sum, £310,032 *(1976, £403,789)* arises from Temple Bar Investment Trust (Realisation) Limited.)		1,396,311		*1,246,852*
Extraordinary Item				
Expenses of Merger		75,889		—
Earnings after Taxation and Extraordinary Item		1,320,422		*1,246,852*
Charge to Capital Reserves of an amount equal to Expenses of Merger		75,889		—
Earnings attributable to stockholders		1,396,311		*1,246,852*
Appropriations				
Dividends paid, accrued or proposed				
On 7 per cent. (now 4.9 per cent. plus tax credit) Preference Stock	27,759		*27,759*	
On 4.2 per cent. Preference Stock	16,224		*13,404*	
On Ordinary Stocks				
Interim of 6.05p per Stock Unit on 8,973,539 units of 25p each *(1976, 3.0p on 8,962,800 units)*	542,899		*268,884*	
Proposed Final of 3.45p per Stock Unit on 13,245,908 units of 25p each *(1976, 5.5p on 8,962,800 units)*	456,984		*492,954*	
Special Interim of 4.0p per Stock Unit on 5,981,316 units of 25p each of Temple Bar Investment Trust (Realisation) Limited *(1976, Interim of 2.0p per Stock Unit and Final of 4.75p per Stock Unit on 5,981,316 units of 25p)*	239,252	1,283,118	*367,509*	*1,170,510*
Retained Earnings for the year		113,193		*76,342*
Retained earnings of Temple Bar Investment Trust (Realisation) Limited for the period from 1st January to 18th August, 1977 transferred to Capital Reserves		60,532		—
Retained Earnings added to Revenue Reserves		£52,661		*£76,342*
Basic Earnings per Ordinary Stock Unit of 25p (Note 6)		10.213p		*9.110p*
Fully diluted earnings per Ordinary Stock Unit of 25p (Note 6)		9.844p		*8.834p*

Temple Bar Investment Trust Limited

Balance Sheet

31st December, 1977

	£	£	1976 £	1976 £
Investments (Note 8)				
Listed at Market Value				
In Great Britain		31,279,825		21,650,919
Abroad		3,559,372		4,265,165
Unlisted at Directors' Valuation				
Associated Companies (Note 9)		1,180,600		527,150
Other Investments		223,941		681,246
		36,243,738		27,124,480
Current Assets				
Certificates of Deposit and Money at Short Notice	1,250,000		1,350,000	
Debtors	64,866		137,488	
Balances at Bankers (London and Abroad) and Money at Call (Note 10)	388,477	1,703,343	552,899	2,040,387
Total Assets		37,947,081		29,164,867
Current Liabilities				
Creditors	992,229		38,020	
Short Term Loan	—		48,326	
Taxation	361,450		81,213	
Interest accrued on Debenture Stock	7,920		7,800	
Dividends on Preference Stocks	19,855		21,958	
Final Dividend*(s)* on Ordinary Stock*(s)*	456,984	1,838,438	777,066	974,383
		36,108,643		28,190,484
Loan and Debenture Stocks (Note 11)				
$4\frac{1}{2}$ per cent. First Debenture Stock 1978/83	800,000		800,000	
$5\frac{3}{4}$ per cent. Convertible Unsecured Loan Stock 1985/90	1,000,000		1,000,000	
6 per cent. Convertible Unsecured Loan Stock 1987/91	1,475,026	3,275,026	1,500,000	3,300,000
Net Assets		£32,833,617		£24,890,484
Represented by:				
Issued Share Capital				
7 per cent. (now 4.9 per cent. plus tax credit) Cumulative Preference Stock	566,500		566,500	
4.2 per cent. Cumulative Preference Stock	384,704		384,704	
Ordinary Stock	3,311,477	4,262,681	3,308,792	4,259,996
(For authorised capital see Note 12)				
Reserves (Note 13)				
Capital Reserves	11,942,352		10,011,424	
Revenue Reserve	2,293,384		2,240,723	
Unrealised Appreciation on Investments	14,335,200	28,570,936	8,378,341	20,630,488
		£32,833,617		£24,890,484

ALASTAIR F. ROGER
G. W. FYFE
Directors

Temple Bar Investment Trust Limited

Notes to the Accounts

1. Accounting Policies

(a) The merger of the Company with Temple Bar Investment Trust (Realisation) Limited took place on 19th August, 1977. These accounts have been prepared to include the earnings and expenses of both companies for the year ended 31st December, 1977 and not prepared as anticipated at the time of the merger. The comparative figures for the previous year have been restated as if the merger had been in force throughout the previous year and at the previous balance sheet date.

(b) Investment income is included on the basis of actual receipts. Interest receivable and payable and all other expenses are treated on the accruals basis.

(c) Investments are valued in accordance with Note 8.

(d) Particulars of the Company's holdings in associated companies are set out in Note 9. Dividends received during the year from these companies are included in the Revenue Account and the value of such holdings at the year end is shown separately in the Balance Sheet. The Company does not introduce its share of the undistributed profits of the associated companies into its accounts as, in the opinion of the Directors, it would be misleading for an investment trust to do so.

(e) Foreign currency balances are valued at current rates of exchange including the investment currency premium.

	1977 £	*1976 £*
2. Revenue		
Franked:		
Listed Investments	1,784,509	*1,622,317*
Unlisted Investments—Associated Companies (Note 9)	29,703	*32,818*
Unlisted Investments—Other Companies	14,610	*8,044*
	£1,828,822	*£1,663,179*
Unfranked:		
Listed Investments	388,006	*467,052*
Unlisted Investments	1,125	*4,376*
	£389,131	*£471,428*
3. Interest Payable		
Interest on $4\frac{1}{2}$ per cent. First Debenture Stock 1978/83	36,000	*36,000*
Interest on $5\frac{3}{4}$ per cent. Convertible Unsecured Loan Stock 1985/90	57,736	*57,500*
Interest on 6 per cent. Convertible Unsecured Loan Stock 1987/91	88,502	*90,000*
Interest on Short Term Loan	2,662	*5,385*
	£184,900	*£188,885*
4. Directors' Emoluments		
Aggregate emoluments of Chairman	£2,765	*£3,200*
	Number of Directors	*Number of Directors*
Other Directors whose aggregate emoluments were in the bracket: £1 to £2,500	5	*5*
	£	*£*
5. Taxation		
Corporation Tax at 52%	183,648	*153,861*
Less: Relief for Overseas Tax	25,329	*24,380*
	158,319	*129,481*
Overseas Tax	25,329	*24,380*
	183,648	*153,861*
Tax credits applicable to Franked Investment Income	627,421	*582,113*
	£811,069	*£735,974*

The surplus of Franked Investment Income at 31st December, 1977 after allowing for the proposed final dividend amounted to £279,180 *(1976, £408,686)* and is available to frank dividends payable in respect of future years.

6. Earnings per Ordinary Stock Unit

The calculation of basic earnings per Stock Unit is based on earnings of £1,352,328 *(1976, £1,205,689)* being the earnings after taxation less the Preference Dividends, and on a weighted average for the year ended 31st December, 1977 of 13,241,433 Ordinary Stock Units of 25p each, after allowing for the conversion of £24,974 of the 6 per cent. Convertible Unsecured Loan Stock on 31st May, 1977 and assuming the merger had been in effect throughout the period. For the year ended 31st December, 1976 the calculation is based on 13,235,169 units assuming the merger had been in effect throughout the year.

The calculation of fully diluted earnings per Stock Unit is based on adjusted earnings of £1,422,522 *(1976, £1,276,489)* after adding back interest net of corporation tax on both the 5¾ per cent. Convertible Unsecured Loan Stock and the 6 per cent. Convertible Unsecured Loan Stock. The maximum number of ordinary stock units into which these Stocks were to become convertible on 31st May in any of the years 1977 to 1987 is 570,000 and 645,000 respectively making a total, for the purposes of this calculation in 1977 and 1976, of 14,450,169 Ordinary Stock Units of 25p issued and issuable.

7. Subsidiary Company

The Company's subsidiary, Telephone and Associated Services Limited, ceased to trade on 31st December, 1971. The value in the Company's books of its shareholding in the subsidiary amounting to £402,953 (the written up value as at 31st December, 1976 less an adjustment during 1977 of £13,970) is equal to the advance received by the Company from that company (whose assets consist wholly of that advance) and has therefore been eliminated from the Balance Sheet.

8. Investments

(a) The listed investments are valued at middle market price. In the case of investments listed abroad the valuation is calculated at current rates of exchange or at London prices including the investment currency premium in all eligible cases. Investments in overseas companies listed both abroad and on The Stock Exchange in London are classified as investments listed abroad.

(b) The valuations of unlisted investments are based upon the information available to the Directors.

(c) The total investment currency premium at 32¼ per cent. included in the investment valuations amounts to £784,759 *(1976, 45 per cent. amounting to £1,270,541)*.

(d) No provision has been made as at 31st December, 1977 for tax at 17 per cent. *(1976, 17½ per cent.)* on unrealised capital gains. Such provision would have amounted to £2,102,117 *(1976, £944,089)*.

(e) There were future liabilities of £37,800 *(1976, Nil)* for calls payable in respect of partly paid investments.

9. Particulars of holdings in Associated and other Companies

	Total Capital and Reserves	Percentage of Share Capital held by Company at 31st December, 1977
Associated Companies		
Electra Finance Company Limited		24.5
Shares of £1	1,060,000	
Reserves at 31st March, 1977	£1,198,027	
Rothesay Trust Limited (registered in Scotland)		50.0
Ordinary Shares of £1	915,000	
Reserves at 31st December, 1976	£1,046,081	
Other Companies (over which the Company does not exercise a significant influence)		
Cloverdown Investments Limited (incorporated in Jersey)		24.6
Shares of £1	1,000	
Reserves at 31st December, 1976	£217	
Murray-Clarke and Jones Limited		21.2
Ordinary Shares of £1	56,550	
Reserves at 31st December, 1976	£14,034	

Unless otherwise stated all companies are incorporated in and operate in Great Britain.

10. Bank Balances

The investment currency premium included in the foreign currency balances amounts to £12,400.

Temple Bar Investment Trust Limited

Notes to the Accounts *(continued)*

11. Loan and Debenture Stocks

(a) The Company's 4½ per cent. First Debenture Stock 1978/83 is secured and is repayable at a premium of one per cent. on 31st August, 1983. In addition the Company has the right either at any time after 1st September, 1978, on not less than three months' notice, to redeem the whole or any part of the stock at £101 per cent. together with accrued interest or at any time to purchase any of the stock at a price not exceeding £101 per cent. plus accrued interest.

(b) Holders of the 5¾ per cent. Convertible Unsecured Loan Stock 1985/90 are entitled on 31st May in any of the years 1978 to 1985 to convert their holdings into Ordinary Share capital on the basis of £14.25 nominal of Ordinary Share capital for every £100 nominal of stock. Any stock remaining is repayable at par in 1990.

(c) Holders of the 6 per cent. Convertible Unsecured Loan Stock 1987/91 are entitled on 31st May in any of the years 1978 to 1987 to convert their holdings into Ordinary Share capital on the basis of £10.75 nominal of Ordinary Share capital for every £100 nominal of stock. Any stock remaining is repayable at par in 1991.

12. Authorised Capital	1977 £	*1976* *£*
7 per cent. (now 4.9 per cent. plus tax credit) Cumulative Preference Stock	566,500	*566,500*
4.2 per cent. Cumulative Preference Stock	384,704	*384,704*
Ordinary Stock	3,311,477	*3,308,792*
Ordinary Shares of 25p each	688,523	*691,208*
	£4,951,204	*£4,951,204*

13. Reserves

(a) Capital Reserves	£
Reserves of Temple Bar Investment Trust Limited	6,192,040
Share Premium arising at 31st December, 1976 on the merger of Temple Bar Investment Trust (Realisation) Limited with Temple Bar Investment Trust Limited	3,819,384
At 31st December, 1976	10,011,424
Share Premium arising from the conversion of £24,974 nominal of 6 per cent. Convertible Unsecured Loan Stock	22,289
Profits less losses on realisations of investments during the year less £216,454 tax payable on Capital Gains	1,858,467
Net losses on revaluation of currency balances	(13,132)
Expenses of the Merger	(75,889)
Share Premium arising for the period 1st January, 1977 to 18th August, 1977 on the merger of Temple Bar Investment Trust (Realisation) Limited with Temple Bar Investment Trust Limited (including £60,532 transferred from Revenue Account)	139,193
At 31st December, 1977	£11,942,352

Included in Capital Reserves at 31st December, 1977 is a balance of £3,980,866 on the Company's Share Premium Account.

(b) Revenue Reserves	
At 31st December, 1976	2,240,723
Retained Earnings from Revenue Account	52,661
At 31st December, 1977	£2,293,384

(c) Unrealised Appreciation on Investments	
Unrealised appreciation on investments of Temple Bar Investment Trust Limited	5,460,569
Unrealised appreciation on investments of Temple Bar Investment Trust (Realisation) Limited merged with Temple Bar Investment Trust Limited	2,917,772
At 31st December, 1976	8,378,341
Increase in the value of investments	5,956,859
At 31st December, 1977	£14,335,200

14. General

The "close company" provisions of the Income and Corporation Taxes Act 1970 do not apply to the Company.

Temple Bar Investment Trust Limited

Statement of Source and Application of Funds

	Year ended 31st December, 1977		*Year ended 31st December, 1976*	
	£'000	£'000	*£'000*	*£'000*
Source of Funds				
Earnings before taxation		2,207		*1,983*
Realised profits on disposal of investments		2,173		*1,524*
Losses *(1976, Profits)* on revaluation of currency		(18)		*9*
Total funds generated		4,362		*3,516*
Application of Funds				
Dividends paid during year				
Preference	46		*41*	
Ordinary	1,559		*1,031*	
	1,605		*1,072*	
Subsidiary Company adjustment	14		*14*	
Taxation paid on earnings	747		*755*	
Expenses of Merger	76		—	
Net investment of funds:—				
Sales of investments, at cost	(6,269)		*(4,777)*	
Purchases of investments	9,432		*4,936*	
Decrease *(1976, Increase)* in short-term deposits	(52)	5,553	*1,349*	*3,349*
Decrease *(1976, Increase)* in Liquidity		(1,191)		*167*
Decrease *(1976, Increase)* in Working Capital				
Decrease *(1976, Increase)* in debtors	(73)		*51*	
Increase *(1976, Decrease)* in creditors	(954)	(1,027)	*94*	*145*
Decrease *(1976, Increase)* in cash		(164)		*22*
		(1,191)		*167*

Temple Bar Investment Trust Limited

Report of the Auditors

In our opinion the accounts set out on pages 9 to 14, which have been prepared showing listed investments at middle market value, unlisted investments at Directors' valuation and all other items using the historical cost convention, give a true and fair view of the Company's affairs at 31st December, 1977 and of the profit and source and application of funds for the year ended on that date, and comply with the Companies Acts, 1948 and 1967 (as amended).

Hays Allan

HAYS ALLAN

28th February, 1978. *Chartered Accountants*

Capital Gains Tax

For capital gains tax purposes the fully adjusted values of the Company's Stocks in respect of 6th April, 1965, are:—

Ordinary Stock	102p per Stock Unit of 25p
Ordinary Stock arising from merger with Temple Bar Investment Trust (Realisation) Limited	108.488p per Stock Unit of 25p
Ordinary Stock issued against conversion of 6 per cent. Convertible Unsecured Loan Stock 1987/91	120.235p per Stock Unit of 25p
7 per cent. (now 4.9 per cent. plus tax credit) Cumulative Preference Stock	97.5p per Stock Unit of £1
4.2 per cent. Cumulative Preference Stock	82.5p per Stock Unit of £1
4½ per cent. First Debenture Stock 1978/83	£77.50 per £100 Stock
5¾ per cent. Convertible Unsecured Loan Stock 1985/90	£70.0534 per £100 Stock
6 per cent. Convertible Unsecured Loan Stock 1987/91	£51.70 per £100 Stock

howing listed
and all other
pany's affairs
he year ended

HAYS ALLAN
d Accountants

of 6th April, 1965,
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Stock Unit of 25p
Stock Unit of 25p
ck Unit of £1
ck Unit of £1
00 Stock
£100 Stock
00 Stock

Temple Bar Investment Trust Limited

Twenty Largest Equity Holdings

Company	Valuation of holding at 31st December, 1977
	£
"Shell" Transport and Trading Company Limited	973,100
*Electra Finance Company Limited	608,725
*Rothesay Trust Limited	571,875
The British Petroleum Company Limited	473,000
Imperial Group Limited	450,000
Ocean Transport & Trading Limited	440,000
B.A.T. Industries Limited	427,500
Royal Insurance Company, Limited	410,000
Imperial Chemical Industries Limited	350,000
Smurfit (Jefferson) Group Limited	341,250
The General Electric Company Limited	337,500
The British Electric Traction Company, Limited	321,000
Commercial Union Assurance Company, Limited	296,000
London Trust Company, Limited	294,429
Associated Television Corporation Limited	288,750
Allied Breweries Limited	285,000
Midland Bank Limited	282,750
The Bowater Corporation Limited	271,500
The Distillers Company Limited	270,000
The Associated Portland Cement Manufacturers, Limited	260,000
	£7,952,379

*Unlisted

The value of the above investments represents 21.94 per cent. of the value of the Company's portfolio as at 31st December, 1977.

Convertibles and all classes of equity (as defined in Section 154 (5), Companies Act 1948) in any one company have been treated as one investment.

The Company also held Government securities to the value of £971,250 but such securities have been disposed of since 31st December, 1977.

A complete list of the Company's investments as at 31st December, 1977 will be available for inspection at the Company's Registered Office (Electra House, Temple Place, Victoria Embankment, London, WC2R 3HP) during normal working hours on weekdays (Saturdays and public holidays excepted).

Temple Bar Investment Trust Limited

Classification and Distribution of Investments

Percentages based on valuation at 31st December, 1977 and excluding interest in Subsidiary Company

	U.K.	North America	Elsewhere	Totals	*Totals 1976*
Equities and Convertibles					
Capital Goods					
Building Materials	3·83	0·13	—	3·96	*2·80*
Contracting & Construction	2·58	—	—	2·58	*1·26*
Electrical (Ex. Light Electronics)	1·80	—	—	1·80	*2·08*
Engineering Contractors	0·86	—	—	0·86	*1·38*
Mechanical Engineering	7·07	0·93	—	8·00	*9·17*
Metals & Metal Forming	2·86	—	—	2·86	*1·22*
	19·00	1·06	—	20·06	*17·91*
Durable Consumer Goods					
Light Electronics	0·89	0·45	—	1·34	*0·92*
Household Goods	1·06	—	—	1·06	*0·77*
Motors & Distributors	1·94	—	—	1·94	*2·34*
	3·89	0·45	—	4·34	*4·03*
Non-Durable Consumer Goods					
Breweries	2·07	—	0·24	2·31	*2·50*
Wines & Spirits	0·74	—	—	0·74	*0·90*
Entertainment & Catering	1·84	—	—	1·84	*1·91*
Food Manufacturing	2·84	0·28	—	3·12	*2·30*
Food Retailing	1·74	—	—	1·74	*1·50*
Newspapers & Publishing	0·53	0·15	—	0·68	*0·62*
Packaging & Paper	2·05	0·13	0·94	3·12	*3·35*
Stores	1·63	0·33	—	1·96	*2·34*
Textiles	2·81	0·19	—	3·00	*2·49*
Tobacco	2·42	0·17	—	2·59	*3·38*
Toys & Games	0·81	—	—	0·81	*0·70*
	19·48	1·25	1·18	21·91	*22·59*
Others					
Chemicals	1·89	0·28	—	2·17	*4·33*
Pharmaceutical Products	1·25	0·06	—	1·31	*1·50*
Oil	4·53	1·75	0·19	6·47	*8·35*
Shipping	1·50	—	—	1·50	*2·23*
Utilities	—	1·33	—	1·33	*2·17*
Miscellaneous	10·99	1·00	—	11·99	*10·02*
	20·16	4·42	0·19	24·77	*28·60*
Financial					
Banks	1·81	1·01	0·10	2·92	*4·07*
Discount Houses	0·31	—	—	0·31	*0·48*
Insurance (Life)	1·09	—	—	1·09	*1·16*
Insurance (Composite)	3·98	0·14	—	4·12	*3·59*
Insurance (Brokers)	1·50	—	—	1·50	*0·98*
Investment Trusts	1·99	0·04	0·03	2·06	*1·31*
Merchant Banks	0·73	—	—	0·73	*0·87*
Property	2·37	—	—	2·37	*1·83*
Miscellaneous	2·62	—	—	2·62	*2·84*
	16·40	1·19	0·13	17·72	*17·13*
Commodities					
Mining Finance	0·53	—	0·21	0·74	*1·20*
Overseas Traders	2·54	0·08	0·42	3·04	*3·47*
	3·07	0·08	0·63	3·78	*4·67*
Total Equities & Convertibles	82·00	8·45	2·13	92·58	*94·93*
Fixed Interest					
Government Securities	2·68	—	—	2·68	—
Debentures & Loans	2·54	—	—	2·54	*2·74*
Preference	2·20	—	—	2·20	*2·33*
Total Fixed Interest	7·42	—	—	7·42	*5·07*
Totals 1977	89·42	8·45	2·13	100·00	
Totals 1976	*83·40*	*14·35*	*2·25*		*100·00*

Number of Companies in which Investments are held—283 (*1976, 320*)

The figures for 1976 are those of this Company together with those of Temple Bar Investment Trust (Realisation) Limited.

Temple Bar Investment Trust Limited

Ten Year Record

1. Capital, Reserves and Assets (see Note (a))

31st December	Capital and Reserves: Capital (b)	Reserves	Total	Debenture and Convertible Unsecured Loan Stocks	Investments at Valuation (c)	Net Asset Value per 25p Ordinary Stock Unit
	£	£	£	£	£	p
1967	—	—	—	—	—	149½
1968	2,807,200	15,415,253	18,222,453	1,200,000	19,384,538	197
1969	2,807,200	12,388,761	15,195,961	1,200,000	16,281,851	163¼
1970	2,807,200	11,919,896	14,727,096	1,200,000	16,059,279	158
1971 (d)	2,807,200	17,828,377	20,635,577	1,200,000	21,333,223	224
1972 (d)	2,807,200	20,824,854	23,632,054	2,300,000	25,905,382	257¼
1973 (d)	2,807,200	13,594,793	16,401,993	2,300,000	18,430,384	176⅝
1974 (d)	2,807,200	5,687,377	8,494,577	2,300,000	9,897,808	88⅜
1975 (d)	2,807,200	14,789,022	17,596,222	2,300,000	20,229,281	190
1976	4,259,996	20,630,488	24,890,484	3,300,000	27,124,480	180⅞ (e)
1977	4,262,681	28,570,936	32,833,617	3,275,026	36,243,738	240⅝ (e)

2. Earnings and Dividends to Ordinary Stockholders (see Note (a))

Year	Gross Revenue	Earnings before Taxation	Balance available after Taxation	Basic Earnings per 25p Stock Unit	Ordinary Dividends paid: Adjusted Net Rate	Ordinary Dividends paid: Net Amount	Amount added to Reserves
	£	£	£	p	p	£	£
1968	847,252	738,279	412,490	4.602	3.672	329,103	83,387
1969	882,787	775,608	428,764	4.784	3.819	342,267	86,497
1970	910,910	804,187	451,445	5.037	3.966	355,431	96,014
1971 (d)	938,052	828,730	491,001	5.478	4.287	384,280	106,721
1972 (d)	937,044	795,104	461,246	5.146	4.441	398,003	63,243
1973 (d)	1,130,116	949,568	586,716	6.546	5.500	492,954	93,762
1974 (d)	1,302,487	1,112,536	696,973	7.776	6.500	582,582	114,391
1975 (d)	1,384,280	1,192,631	730,076	8.146	7.000	627,396	102,680
1976	2,256,072	1,982,826	1,205,689	9.110	8.533	[illegible]	76,342
1977	2,487,695	2,207,380	1,352,328	10.213	9.355	[illegible]	52,661 (f)

Notes:

(a) On 19th August, 1977 the Company merged with Temple Bar Investment Trust (Realisation) Limited. The accounts for the year ended 31st December, 1977 were prepared on a merger basis and the figures for the previous year adjusted so as to be comparable. The figures shown above for the years 1976 and 1977 are therefore not comparable with those of earlier years.

(b) Includes £566.500 7 per cent. (now 4.9 per cent. plus tax credit) Cumulative Preference Stock throughout the period and £384,704 4.2 per cent. Cumulative Preference Stock for the years 1976 and 1977.

(c) The valuation is based on market values for listed holdings and the Directors' valuation of unlisted investments. The full investment currency premium is included.

(d) The figures shown in the above tables in respect of the years 1971-1975 are not comparable with those of the earlier years since they reflect the fact that the Company's subsidiary company, Telephone and Associated Services Limited, ceased to trade as at 31st December, 1971.

(e) If the holders of the 5¾ per cent. and 6 per cent. Convertible Unsecured Loan Stocks exercise in full their rights to convert into ordinary share capital, a further 1,204,261 Ordinary Stock Units will be issued. Had this conversion taken place on 31st December, 1977 the net asset value per Ordinary Stock Unit at that date would have been 237¾p *(1976, 182⅞p)*.

(f) After the transfer to Capital Reserves of £60,532 representing the retained earnings of Temple Bar Investment Trust (Realisation) Limited for the period 1st January to 18th August, 1977.

FORM ML8

A

BULK LIST OF SHAREHOLDERS OR MEMBERS

A bulk list (over 10 pages) for the company named below has been lodged but does not appear on this Annual Return microfiche.

If you wish to search the list, please enquire at the Search Control Counter.

Company Number 214601

Company Name Temple BAR Investment Trust LTD

Made-up-date 12/4/79

34

Cdf 3387/1/832 10m 3/78 TP

Companies House

NOTICE OF ILLEGIBLE DOCUMENT

ON THE MICROFICHE RECORD

Companies House regrets that the microfiche record for this company contains some data which is illegible.

The poor quality has been noted but unfortunately the steps taken to improve the quality have been unsuccessful.

Companies House would like to apologise for any inconvenience this may cause.