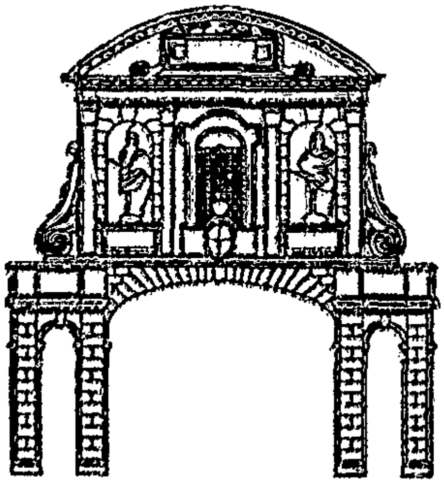
Temple Bar

Investment Trust PLC



Report and Accounts
1993

Contents

History of the Company

The Company was incorporated in 1926 as The Cable, Telephone and General Trust Company Limited. It is an approved investment trust.

It has an independent Board of Directors and is managed by Guinness Flight Investment Trust Managers Limited, part of the Guinness Mahon Holdings plc group of companies.

The Company's shares, loan stock and debenture stock are listed on the London Stock Exchange. The market price of the ordinary shares is shown daily in the Financial Times, [illegible] Telegraph, The Times and The Independent.

Company objective

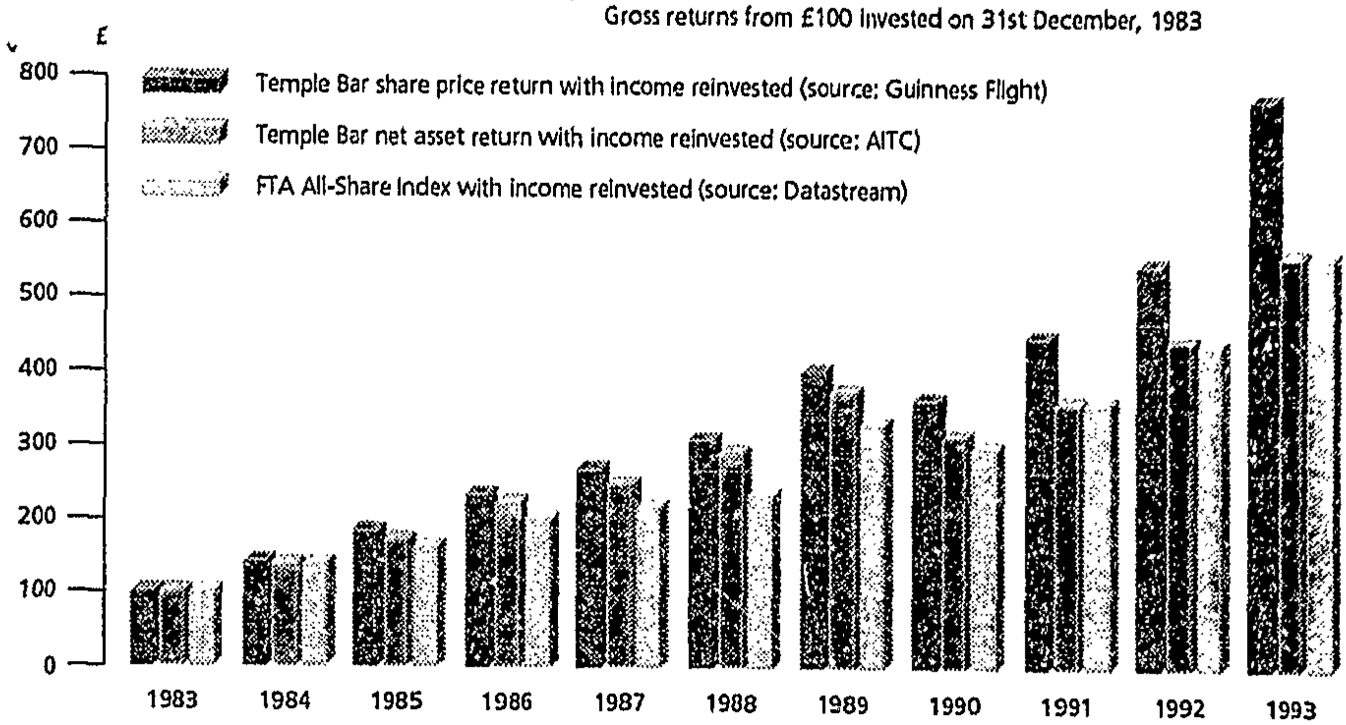
To provide growing income combined with growth in capital, principally through investment in a portfolio of UK equities.

Investment policy

The Company's portfolio is invested predominantly in companies that offer 'fundamental value' in terms of good asset backing, above average yields, and low price/earnings ratios. The Company aims to maintain a balance between larger and smaller/medium sized companies, with normally 70 per cent. of the portfolio invested in large blue chip companies.

Temple Bar comparative returns 1984 - 1993

Gross returns from £100 invested on 31st December, 1983



Summary of results

ASSETS 31st December	1993 £'000	1992 £'000	Percentage increase
Net assets	221,000	178,996	23.5

Net asset value per ordinary share			
Net of prior charges at nominal value	384.17p	310.90p	23.6
Net of prior charges at market value	371.15p	310.76p	19.4

INCOME for the year ended 31st December	1993 £'000	1992 £'000	Percentage increase/ (decrease)
Profit attributable to ordinary shareholders	7,629	7,771	(1.8)
Earnings per ordinary share	13.319p	13.570p	(1.8)
Dividends per ordinary share	13.55p	13.25p	2.3

TOTAL RETURNS (capital plus income) for the year to 31st December 1993	1993
Return on net assets	29.41%
FTA All-Share Index	28.44%
Change in Retail Price Index over year	1.94%

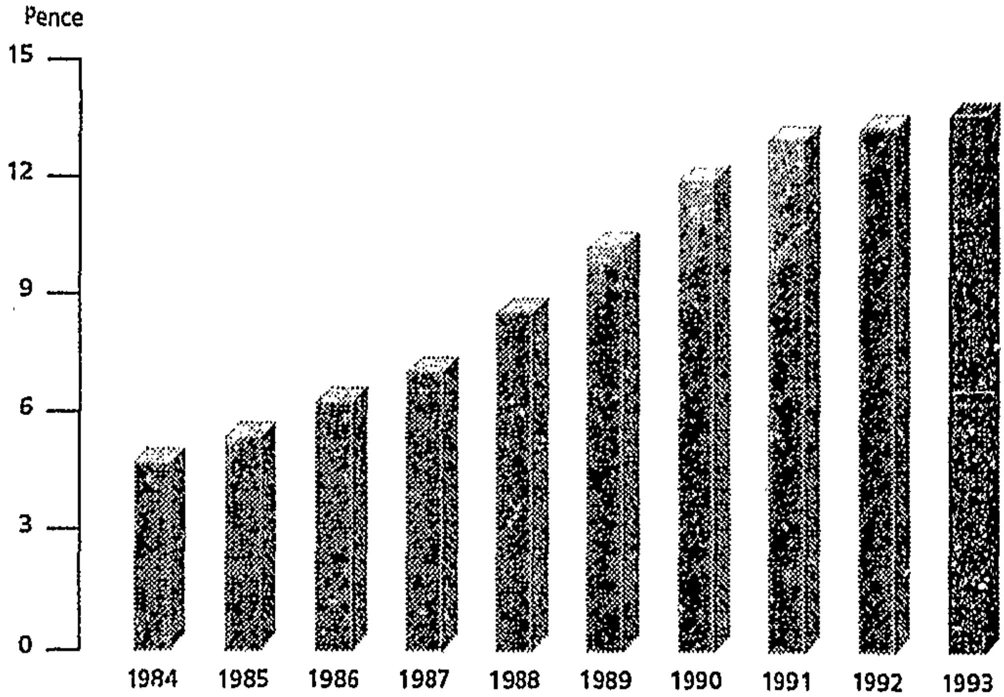
GROSS DIVIDEND YIELDS – 31st December	1993
Yield on ordinary share price	4.24%
Yield on FTA All-Share Index	3.37%

Year ended	Profits attributable to ordinary shareholders £'000	Earnings per share, basic p	Dividends per share p	Group total assets £'000	Net assets £'000	Net assets per ordinary share p
1984	2,816	4.919	4.65	82,154	79,276	136.82
1985	3,202	5.593	5.30	103,321	98,004	169.53
1986	3,925	6.856	6.25	124,433	120,448	208.74
1987	4,127	7.209	6.95	161,232	134,274	232.89
1988	5,455	9.528	8.50	175,198	147,843	256.56
1989	6,704	11.709	10.20	215,313	182,759	317.53
1990	8,181	14.290	11.90	178,446	144,444	250.60
1991	8,183	14.290	13.00	188,426	155,453	269.81
1992	7,771	13.570	13.25	214,523	178,996	310.90
1993	7,629	13.319	13.55	255,296	221,000	384.17

NOTE

In 1990 there was a change of accounting policy for investment income recognition. Investment income is now recognised on the ex-dividend date, not the payment date. The figures shown for the years since 1989 are based on this new policy; earlier years have not been restated.

Dividends per share



Directors

standing, from left to right, John Hudson, Ernest Sharp, Field Walton, John Reeve;
seated: Sir Roland Smith, Colin Black, Ronald Scott Brown

PROFESSOR SIR ROLAND SMITH*, BA, MSc, PhD(Econ), Chairman, aged 65, was appointed a director in 1975 and became chairman in 1980. He is chairman of Hepworth and is also the chairman and a director of a number of other listed companies.

COLIN H BLACK*, MA, LLB, aged 64, has been a director since 1963. He is chairman of Scottish Widows' Fund and Life Assurance Society and a director of Kleinwort Benson Group, Scottish Power and of other companies.

JOHN L HUDSON*, MSc, CEng, FIEE, FIMechE, aged 48, was appointed a director in 1992. He is chief executive of Wagon Industrial Holdings and is also a director of a number of other companies.

JOHN REEVE*, FCA, CBIM, aged 49, was appointed a director in 1992. He is managing director of Sun Life Corporation, and a director of a number of other companies.

RONALD SCOTT BROWN*, MA, LLB, aged 57, was appointed a director in 1978. He is a director of Aberdeen Trust and of a number of other companies.

ERNEST H SHARP*, FCA, aged 63, was appointed a director in 1981. He is the chairman of Isosceles and a director of APV and of other listed companies.

FIELD L J WALTON*, BTech(Hons), MSc, CEng, MIEE, MBIM, aged 53, was appointed a director in 1983. He is chairman of Eleco Holdings and of Henry Cooke Group and a director of a number of other companies.

*Non-executive

Administration

(Chris Burvill, portfolio manager, and Tim Guinness, director, of Guinness Flight Investment Trust Managers Limited)

INVESTMENT MANAGER

Guinness Flight Investment Trust Managers Limited
A member of IMRO
Lighterman's Court, 5 Gainsford Street, Tower Bridge, London SE1 2NE
Telephone No. 071 522 2100
Facsimile No. 071 522 2105

REGISTERED OFFICE

32 St. Mary at Hill, London EC3P 3AJ
Registered in England, Number 214601
Telephone No. 071 623 9333
Facsimile No. 071 626 0191

Secretary: Miss A J Marsh, FCIS

REGISTRAR

Bank of Scotland, Registrar Department, 26a York Place, Edinburgh EH1 3EY
Telephone No. 031 442 7777

REGISTERED AUDITORS

Coopers & Lybrand, Chartered Accountants, Plumtree Court, London EC4A 4HT

BANKERS

Midland Bank plc, Scottish Life House, Poultry, London EC2P 2BX

STOCKBROKERS

Rowe & Pitman, 1 Finsbury Avenue, London EC2M 2PA

SOLICITORS

Frere Cholmeley Bischoff, 4 John Carpenter Street, London EC4Y 0NH

Chairman's statement

RESULTS

Temple Bar's net asset value rose by 23.5 per cent. over the year, marginally ahead of the FTA All-Share Index which rose by 23.4 per cent. The total return to shareholders in terms of the rise in the net asset value plus reinvested dividends was 29.4 per cent. Total return as measured by the share price movement was 40.5 per cent. against a comparable figure of 28.4 per cent. for the FTA All-Share Index. Total assets showed a rise to £255m against £215m in 1992.

Pre-tax profits of £9.49m compared with £10.25m in 1992, representing a fall of 7.4 per cent. This fall was the result both of a full year's interest cost on the debenture issue and continued weak dividend growth in the UK. At the earnings level the fall was kept to 1.8 per cent. due to a lower tax charge. This was a better outturn than had been expected earlier in the year, the improvement being helped by a number of companies declaring enhanced scrip dividends and some bringing forward final dividends to the interim stage.

In line with the Company's objective to provide increasing income to shareholders, it is proposed that the final dividend be raised to 8.95 pence making 13.55 pence for the year and representing an increase of 2.3 per cent. over 1992.

MARKET BACKGROUND

Although European economies remained depressed, the UK continued to take advantage of the benefits gained in the 1992 exit from the ERM. Falling interest rates, a more competitive exchange rate and continued good news on inflation provided an increasingly favourable background for a revival in business and consumer confidence. Government policy also showed greater composure with the November Budget showing recognition of the need to confront the high PSBR without jeopardising economic recovery.

In the corporate sector however, apart from notable areas such as Financial Services, Building and Motors, trading conditions for a great many companies remained dull for most of the year, with profit warnings and further dividend cuts remaining a feature across a range of industries. It is only in the last few months that wider evidence of an upturn in trading has been identified.

The stock market had a good year. Fixed interest and equity markets were able to benefit both from lower interest rates and from increasing confidence in the economic recovery. The rise accelerated as the year progressed, so that having risen only 5 per cent. in the first half of the year, the FTA All-Share Index surged 18 per cent. in the second half, with much of the gain coming in a year end flurry following the Budget. With earnings and dividend growth lagging the rise, traditional valuation yardsticks inevitably have been stretched, although not to an unreasonable degree. The Manager therefore has taken some steps to protect the portfolio, while seeking opportunities for longer term dividend growth. A fuller review of the portfolio is included in the Manager's review.

Following three years of weak performance, the property market staged a revival in 1993. Temple Bar Properties' portfolio benefited from the recovery with an external valuation undertaken by Cluttons, Chartered Surveyors, producing a gain of 18.5 per cent. over the December 1992 valuation, and providing a total return of 28.6 per cent. for the year.

ISSUE OF NEW SHARES

In recent months the Company's shares have been trading on the stock market close to or above their net asset value. Your Directors consider therefore that it would be advantageous if the Company could issue new shares to participants in the Temple Bar Investment Trust Savings Scheme and the Temple Bar Investment Trust PEP at their market price, when such price is higher than the net asset value per share. Such shares would be issued at the Board's discretion and only on terms that would not dilute (and might increase) the underlying net asset value of existing shares.

The ordinary and special resolutions set out in the Notice of meeting on page 32, will make such issues possible, up to a maximum of 5 per cent. of the Company's issued ordinary share capital. The Directors will not make any issues of shares unless they believe it is to the advantage of the Company.

PROSPECTS

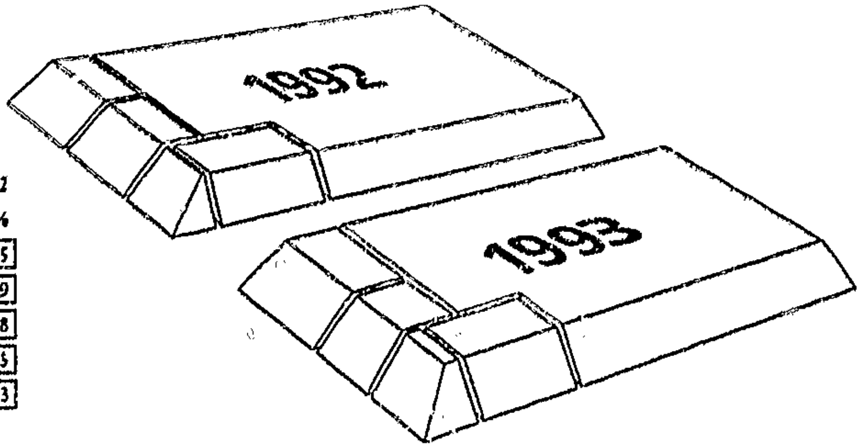
Although November's Budget was tighter than generally expected, the recovery is set to continue. The modest acceleration in activity widely predicted for the coming year and beyond is dependent largely upon the extent to which consumers use savings to maintain spending. Personal consumption is providing the main engine of recovery, and clearly the government's strategy could be damaged if consumer confidence declines under the threat of higher taxation. The substantial budgetary tightening, the favourable current news on inflation and the recent reduction in base rates mean that the fundamental support for the financial markets remains intact. Temple Bar's portfolio is well placed to make further progress this year.

21st February, 1994

Professor Sir Roland Smith

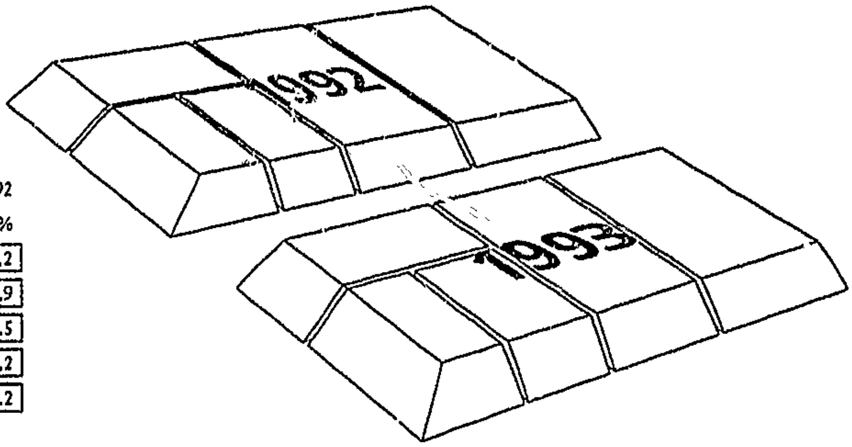
Asset allocation as at 31st December, 1993

BY CLASS



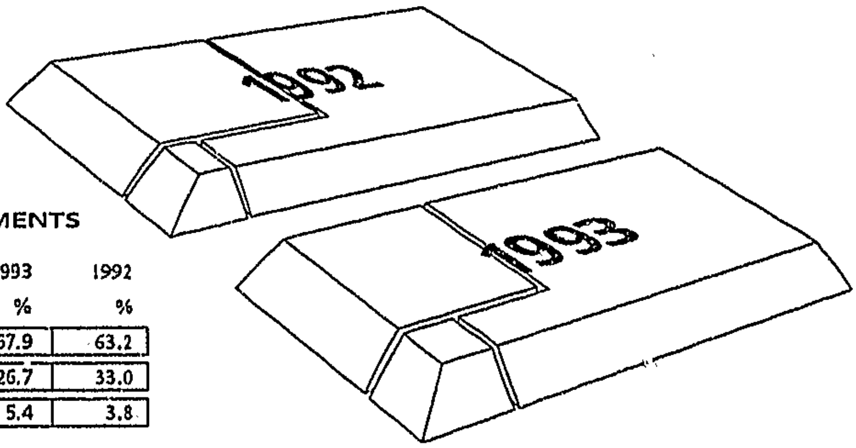
	1993 %	1992 %
Ordinary shares*	80.2	82.5
Convertibles	6.5	4.9
Property	4.7	4.8
Fixed interest	6.6	7.5
Cash	2.0	0.3

SHARE AND CONVERTIBLE PORTFOLIO DISTRIBUTION



	1993 %	1992 %
Capital Goods	14.0	15.2
Consumer Group	32.3	34.9
Other Groups	29.6	29.5
Oil and Gas	10.5	10.2
Financial Group*	13.6	10.2

ANALYSIS OF EQUITY INVESTMENTS



	1993 %	1992 %
Large companies (FTSE)	67.9	63.2
Medium sized companies (FTSE250)	26.7	33.0
Small companies*	5.4	3.8

*Includes Temple Bar Unit Trusts

TWENTY LARGEST EQUITY INVESTMENTS AS AT 31st DECEMBER 1993

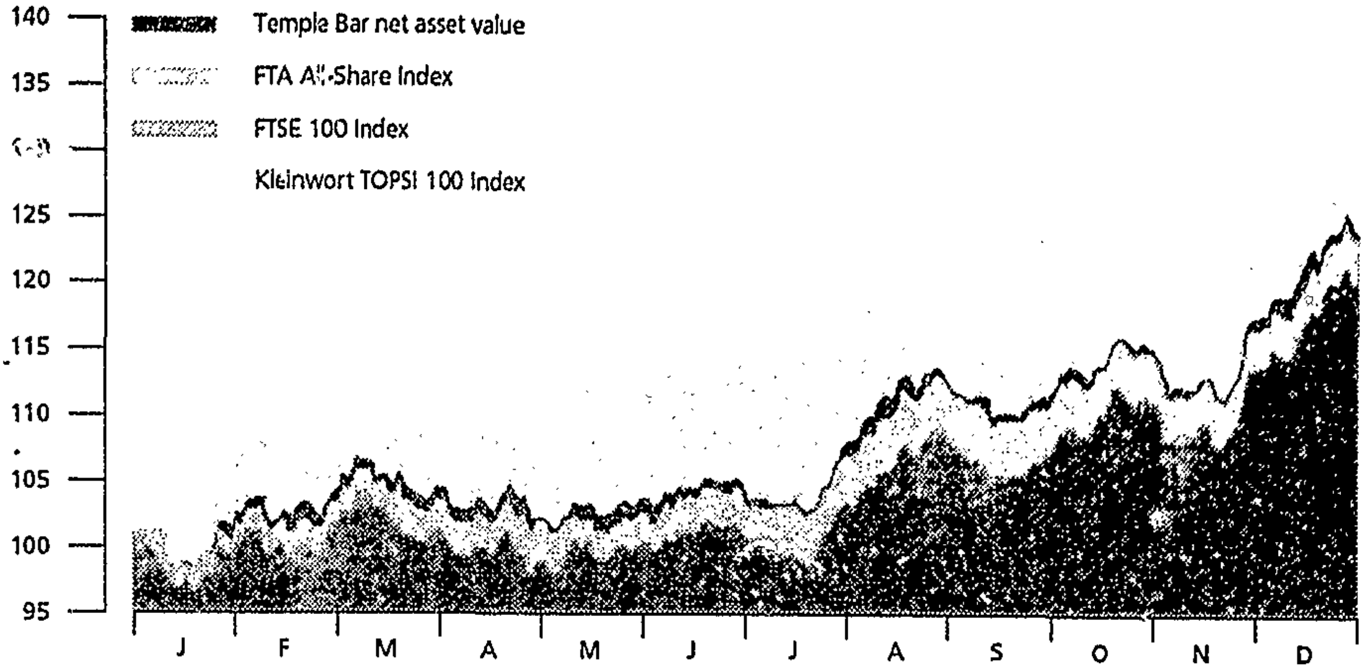
Company	Valuation 31st December, 1993 £	Total Assets %
BAT Industries	9,031,000	3.54
British Telecommunications	8,955,000	3.51
British Gas	8,708,000	3.41
Scottish Power	7,652,000	3.00
Shell Transport & Trading	6,979,000	2.73
Zeneca	5,821,000	2.28
Glaxo	5,800,000	2.27
Grand Metropolitan	5,706,000	2.24
British Petroleum	5,143,000	2.01
Granada Group	4,975,000	1.95
Hanson	4,792,000	1.88
The Boots Co	4,784,000	1.87
Temple Bar Small Companies Fund	4,658,000	1.82
BICC	4,600,000	1.80
Tesco	4,413,000	1.73
Rank Organisation	4,411,000	1.73
Unigate	4,386,000	1.72
Senior Engineering	4,202,000	1.65
Dalgety	4,194,000	1.64
Powell Duffryn	3,920,000	1.53
	113,130,000	44.31%

Convertibles and all classes of equity in any one company are treated as one investment.

Manager's review

The principal yardstick by which Temple Bar's performance is measured is the FTA All-Share Index. However two other indices are monitored to provide a further assessment of the Company's performance: the FTSE Index of the top 100 companies, due to the Company being predominantly invested in larger companies, and the Kleinwort TOPSI 100 Index which follows the performance of higher yielding shares. It can be seen from the accompanying chart that Temple Bar marginally outperformed the All-Share Index (more so in total returns) and performed better against the FTSE100. The TOPSI Index has performed particularly well in 1993, but has been distorted through having a very high proportion represented by British Petroleum and the financial sectors, well beyond what would be prudent from a portfolio viewpoint. It has therefore proved something of an elusive target.

TEMPLE BAR NET ASSET VALUE AGAINST INDICES - 1993



Source: Datastream

Within the strong performance of the stockmarket over the year, three distinct themes could be identified: firstly, the strength of recovery orientated areas such as the Building, Motors and Leisure sectors and secondly, the improvement in companies, particularly in the financial sectors, able to benefit both from lower interest rates and from rising values of financial assets. Lastly, in contrast, disappointing performances were seen from some large blue chip stocks, mainly in the consumer group.

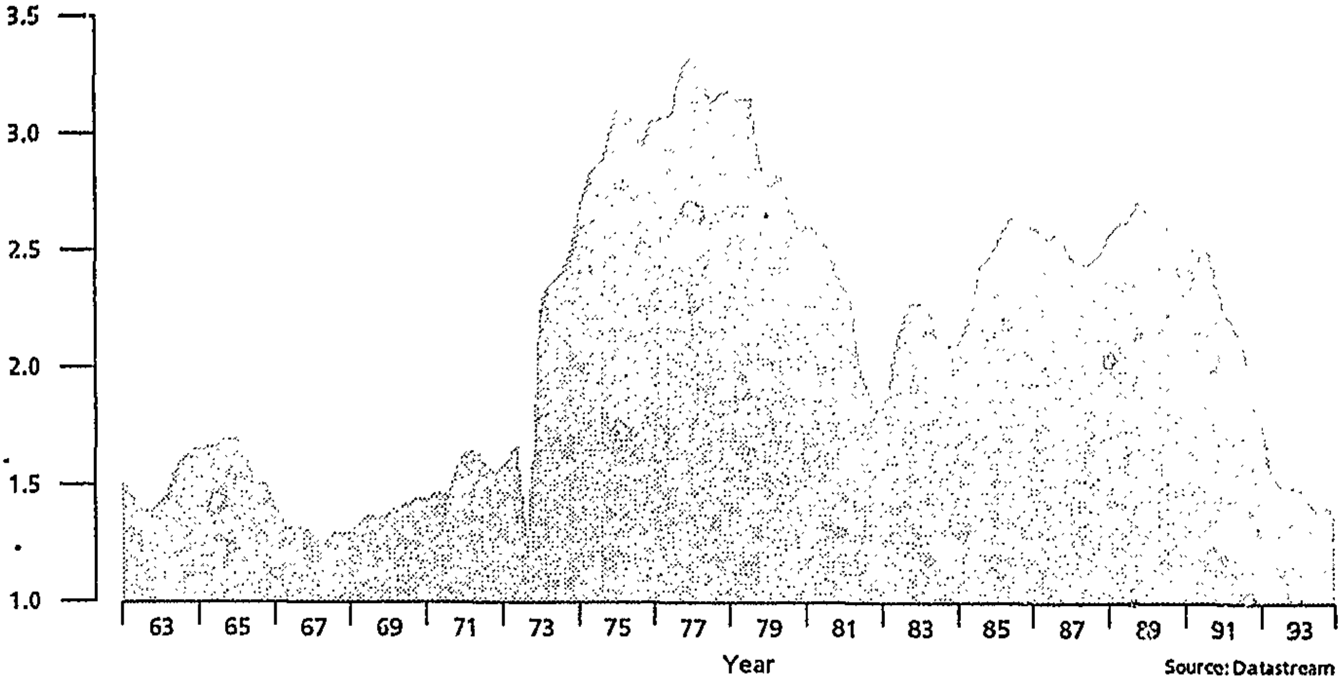
For Temple Bar these trends were to have mixed effects. Although the Company has been underweight in some financial sectors, it has benefited strongly from investments in recovery sectors. As well as having good representation in the Motors and Leisure sectors, holdings such as Hepworth, Senior Engineering, Powell Duffryn and Rolls Royce have risen strongly as investors have started to appreciate their improved longer term prospects.

On the other hand, the Company holds a number of large investments in the consumer group, which performed poorly in 1993. To some extent, it was natural that in the early stages of recovery, attention should focus away from defensive areas. Of more importance was a very significant trend on the part of consumers towards their purchase decisions being made on the basis of price rather than brand. This effect was to be felt in sectors as diverse as Brewing and Pharmaceuticals, as managements struggled to adapt to the changed environment.

Investment policy throughout the year has been heavily influenced by our view that overall dividend growth for the market is likely to be more modest than generally thought. This view is based upon the need for many companies to re-establish dividend cover, which has approached historically low levels, *(see chart)*, and that lower inflation reduces the built-in dividend growth that investors have grown used to over the last twenty years.

UK DIVIDEND COVER 1963 - 1993

GROSS



Source: Datastream

We have therefore concentrated new investments into companies which either have high, but sustainable dividends, or those where longer term prospects or cash flow characteristics suggest the potential for above average dividend growth. This view has led us to take slightly contrary views through making purchases in what we believe to be temporarily depressed sectors, such as Pharmaceuticals and Food Retailers.

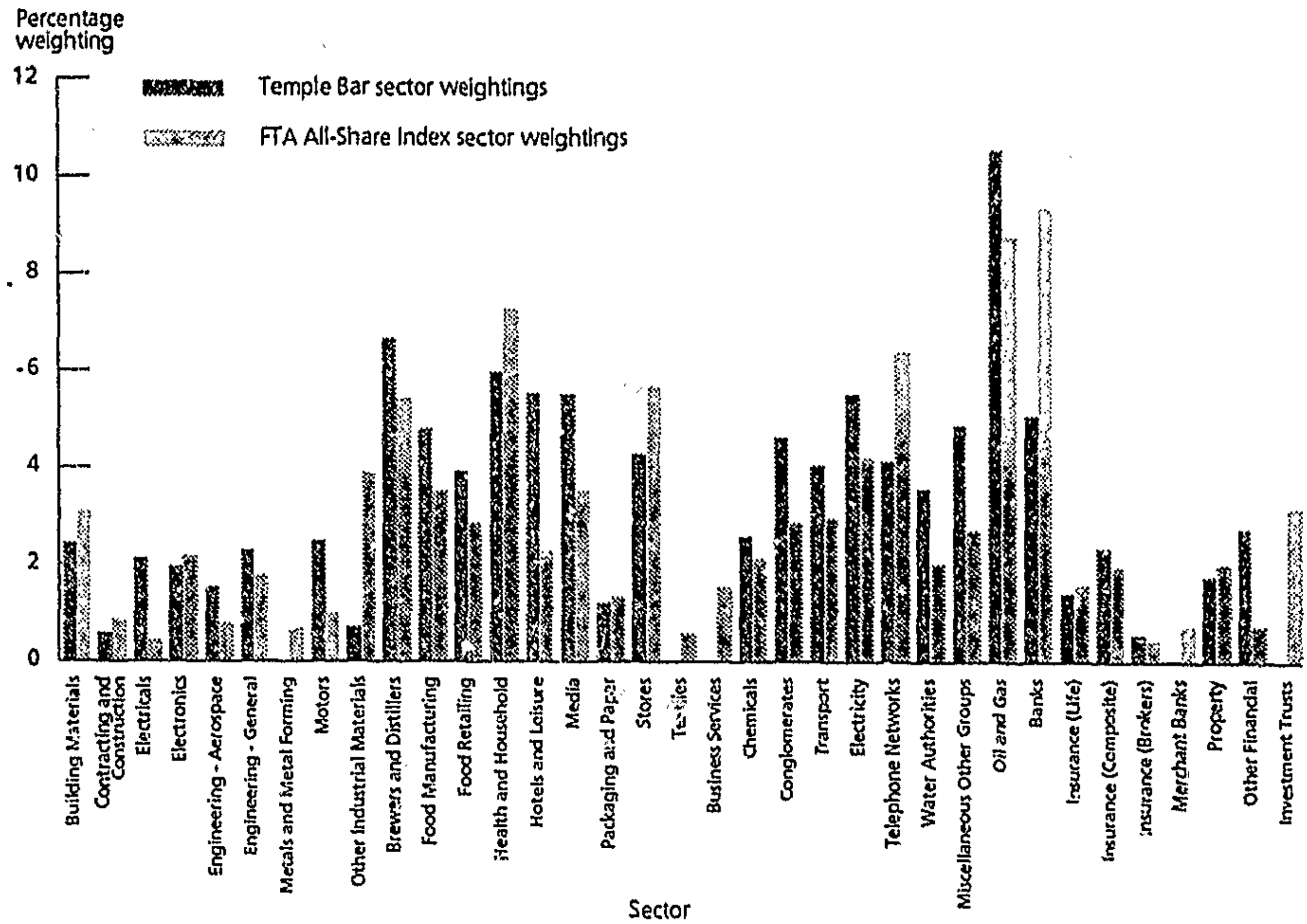
Whilst we have been happy to maintain holdings in recovery sectors, their strong price performance has resulted in value being less easy to identify. We have therefore felt more comfortable with raising holdings in the Conglomerates sector, through stocks such as Hanson and Tomkins which retain recovery exposure, but which have more reasonable valuations. These companies also have the advantage of providing exposure to the more robust US recovery.

A dilemma which has faced trusts such as Temple Bar in recent years has been the approach to companies making dividend cuts. Although cuts should make future dividends and growth more secure, they can also represent a heavy cost to the revenue account. We have been willing to stay with companies such as Rolls Royce and Forte for their longer term potential, but British Steel, Barclays and BET have been sold in favour of higher yielding shares.

The UK market has been dominated by the recovery theme in 1993. We believe that in 1994 attention will refocus on international stocks for their low valuations and exposure to the US dollar. The changes made to the portfolio should enable Temple Bar to benefit from this anticipated trend, and to extend its longer term performance record.

21st February, 1994 **Guinness Flight Investment Trust Managers Limited**

TEMPLE BAR AND FTA ALL-SHARE INDEX SECTOR WEIGHTINGS
31st December, 1993



Portfolio of investments

	Valuation of holding as at 31st December, 1993 £'000	Percentage of portfolio %	FTA All Share Index 31st December, 1993 %
CAPITAL GOODS			
Building Materials		2.43	3.07
Hepworth	3,870		
Pilkington	1,424		
Contracting & Construction		0.58	0.84
Raine	1,258		
Electricals		2.11	0.42
BICC	4,600		
Electronics		1.94	2.17
General Electric	3,321		
Graseby	894		
Engineering – Aerospace		1.52	0.76
Rolls-Royce	3,301		
Engineering – General		2.27	1.74
GEI International	745		
Senior Engineering	4,202		
Metals and Metal Forming	–	–	0.65
Motors		2.51	0.97
*BBA Group	3,156		
T & N	2,301		
Other Industrial Materials		0.68	3.86
BTR	1,490		
		14.04	14.48
CONSUMER GROUP			
Brewers & Distillers		6.67	5.40
Allied-Lyons	3,876		
Bass	3,484		
Grand Metropolitan	5,706		
Greenalls Group	1,425		
Food Manufacturing		4.78	3.49
Dalgety	4,194		
Tate & Lyle	1,800		
Unigate	4,386		
Food Retailing		3.91	2.84
Argyll Group	3,691		
Budgens	385		
Tesco	4,413		
Health & Household Products		5.95	7.28
Glaxo Holdings	5,800		
London International Group	1,324		
Zeneca Group	5,821		
Hotels & Leisure		5.54	2.27
*Forte	2,663		
*Granada Group	4,975		
*Queens Moat Houses	–		
Rank Organisation	4,411		
Media		1.20	3.51
United Newspapers	2,607		
Packaging and Paper	–	–	1.30
Stores		4.28	5.65
The Boots Co	4,784		
*Dixons	2,475		
Smith (WH) Group	2,038		
Textiles	–	–	0.57
		32.33	32.31
OTHER GROUPS			
Business Services	–	–	1.51
Chemicals		2.58	2.10
Courtaulds	1,952		
Laporte	3,661		
Conglomerates		4.89	2.84
*Hanson	4,792		
Harrison & Crosfield	3,005		

	Valuation of holding as at 31st December, 1993 £'000	Percentage of portfolio %	FTA All Share Index 31st December, 1993 %
OTHER GROUPS *continued*			
Sale Tilney	–		
Tomkins	1,624		
*Trafalgar House	1,219		
Transport		4.04	2.93
British Airways	2,809		
P & O	2,060		
Powell Duffryn	3,920		
Electricity		5.50	4.18
East Midlands Electricity	2,405		
Scottish Power	7,652		
South Wales Electricity	1,904		
Telephone Networks		4.12	6.37
British Telecom (including partly paid)	8,955		
Water Authorities		3.55	2.00
Anglian Water	3,552		
North West Water	2,145		
Thames Water	2,019		
Miscellaneous Other Groups		4.87	2.70
BAT Industries	9,031		
McLeod Russel Holdings	1,550		
		29.55	24.63
OIL & GAS		10.53	8.77
British Gas	8,708		
British Petroleum	5,143		
Burmah Castrol	57		
Enterprise Oil	2,016		
Shell Transport & Trading	6,979		
		10.53	8.77
FINANCIAL GROUP			
Banks		5.07	9.34
Lloyds Bank	3,358		
National Westminster	2,201		
Royal Bank of Scotland Group	1,708		
TSB Group	3,751		
Insurance (Life)		1.39	1.54
Legal & General Group	3,018		
Insurance (Composite)		2.34	1.93
General Accident	2,468		
New London Capital	493		
Sun Alliance Group	2,129		
Insurance (Broker)		0.55	0.40
Heath (CE) & Co	1,198		
Merchant Banks	–	–	0.73
Property		1.46	2.00
Great Portland Estates	915		
*Slough Estates	2,268		
Other Financial		2.74	0.72
Temple Bar Emerging Companies Fund	1,293		
Temple Bar Small Companies Fund	4,658		
Investment Trusts	–	–	3.15
		13.55	19.81
TOTAL EQUITIES	217,436	100.00	100.00
UK Fixed Interest			
Treasury 9¾% Stock 2002	5,579		
Treasury 13% Stock 2002	5,265		
Treasury 12½% Stock 2003/05	5,778		
	16,622		
Preference (Unlisted)			
Guinness Flight Investment Management Limited	500		
TOTAL VALUE OF PORTFOLIO	234,558		

*Includes convertible holding

The directors present their report and accounts for the year ended 31st December, 1993.

GROUP ACTIVITIES

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 842 of the Income and Corporation Taxes Act 1988 for the year ended 31st December, 1992 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, 1993.

The Company has conducted its investment policy so as to continue to qualify for investment of up to £6,000 in a PEP as it has over 50 per cent. of its assets invested in UK equities. It is the intention of the Board to continue to qualify for maximum investment under the PEP regulations.

The Company has the following wholly owned subsidiary companies, whose principal activities are set out below:–

Temple Bar Properties Limited	Investment property holding
Temple Bar Securities Limited	Investment dealing

The 'close company' provisions of the Income and Corporation Taxes Act 1988 do not apply to the Company.

ORDINARY DIVIDENDS

The results of the Group are shown on page 19. An interim dividend of 4.60p per ordinary share was paid on 30th September, 1993 (1992, 4.50p) and the directors are recommending a final dividend of 8.95p per ordinary share (1992, 8.75p), a total for the year of 13.55p (1992, 13.25p). Subject to shareholders' approval, the final dividend will be paid on 31st March, 1994 to shareholders on the register on 10th March, 1994.

SHARE CAPITAL

Details of changes in the share capital of the Company are set out in note 21 to the accounts.

FUTURE DEVELOPMENTS

The Company intends to conduct its business so as to continue as an approved investment trust following the objective set out on page 1 of this report.

DIRECTORS

The directors of the Company who held office throughout the year were as stated below and their interests in the ordinary share capital of the Company are as follows:

Ordinary shares	31st December, 1993	1st January, 1993
Professor Sir Roland Smith	25,701	24,958
C H Black	24,950	20,000
J L Hudson	1,000	1,000
J Reeve	–	–
R Scott Brown	5,955	4,000
E H Sharp	16,800	16,800
F L J Walton	6,724	6,475

All the above interests are beneficial. None of the directors had at any date any interest in either of the Company's preference stocks, or in either the 6 per cent. convertible unsecured loan stock or in the 9⅞ per cent. debenture stock.

On 21st January, 1994 Professor Sir Roland Smith acquired a further 49 ordinary shares in the Company through his regular monthly savings in the Temple Bar Investment Trust Savings

Scheme. No other changes in the interests shown occurred between 31st December, 1993 and 21st February, 1994.

No other person was a director during any part of the year.

The directors retiring by rotation are Mr C H Black and Mr F L J Walton who, being eligible, the Board recommends for re-election. Neither of the directors seeking re-election has a service contract with the Company.

There were no contracts subsisting during or at the end of the 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.

CORPORATE GOVERNANCE

The Board currently comprises seven non-executive directors and is responsible to the shareholders for the proper management of the Company.

The Company complies with The Code for Best Practice incorporated in the report of the Cadbury Committee on The Financial Aspects of Corporate Governance, save in respect of matters where insufficient guidance is available as to content, namely the effectiveness of the Company's system of internal control and whether the business is a going concern. In addition, the Company complies with the guidelines for Best Practice on Corporate Governance for investment trusts prepared by the Association of Investment Trust Companies.

An Audit Committee and a Remuneration Committee have been established in compliance with the Code consisting of all the non-executive directors – currently the whole Board. The Remuneration Committee is charged with the function of reviewing the terms of the management agreement with Guinness Flight Investment Trust Managers Limited on a periodic basis, as well as considering the remuneration of the Board as a whole.

DIRECTORS' AND OFFICERS' ,BILITY INSURANCE

The Company maintains an insurance policy for its directors and other officers providing an indemnity against claims for negligence, default, breach of duty or breach of trust in relation to the Company. The cost of this insurance is borne by the Company.

SUBSTANTIAL SHAREHOLDER

At 21st February, 1994 the following company had indicated an interest in 3 per cent. or more of the Company's ordinary shares:–

	Ordinary Shares	
	Number	%
AMP ˎoup of companies	4,792,624	8.37

So far as the directors are aware, no other person holds, or has interests in, 3 per cent. or more of the issued ordinary shares of the Company.

MANAGEMENT CONTRACT

The Company has a management agreement with Guinness Flight Investment Trust Managers Limited ("GFITM") for the provision of investment management, secretarial, accounting and administrative services to the Company and its subsidiaries. The agreement, which is for an indefinite period, is subject to one year's notice by either party.

GFITM receives an investment management fee of 0.275 per cent. per annum, payable quarterly, based on the value of the investments (including cash) of the Company. All costs, charges and expenses incurred by GFITM in carrying out its other duties under the agreement are also borne by the Company.

The investment management fee charged for the year ended 31st December, 1993 amounted to £607,413 and the charge for the other duties during the same period totalled £123,501 (1992 £501,148 and £123,501 respectively). All amounts are stated net of Value Added Tax.

CHARITABLE AND POLITICAL DONATIONS

The Company entered into a deed of covenant to donate £1,000 per annum to the Multiple Sclerosis Society of Great Britain and Northern Ireland for a period of four years from 1990 (1992, charitable donations £1,000). No political donations were made in 1993 (1992 Nil).

AUDITORS

A resolution to reappoint Coopers & Lybrand as the Company's auditors and to authorise the Directors to fix their remuneration will be proposed at the annual general meeting.

ANNUAL GENERAL MEETING

Shareholders are advised that, following the announcement by the London Stock Exchange on 12th March, 1993 that all work on the Taurus settlement system had been halted, the Company withdrew the two resolutions C and D contained in the Notice of meeting dated 25th February, 1993 which related to Taurus.

It is proposed that, as in previous years and in line with common practice, the directors be authorised to allot up to £1,700,000 of relevant securities in the Company (equivalent to 6,800,000 ordinary shares of 25p each, representing 11.1 per cent. of the Company's issued share capital and 11.9 per cent. of its ordinary shares in issue), without further reference to the Company in general meeting for a period ending at the conclusion of the annual general meeting of the Company in 1995.

When shares are to be allotted for cash, section 89(1) of the Companies Act 1985 requires such new shares to be offered first to existing shareholders in proportion to their existing holdings of ordinary shares. This entitlement is known as a 'pre-emption right'. However, in certain circumstances it is beneficial to allot shares for cash otherwise than pro rata to existing shareholders and the ordinary shareholders can by special resolution waive their pre-emption rights. Therefore a special resolution will be proposed at the annual general meeting which, if passed, will give the directors power to allot for cash, equity securities up to an aggregate nominal amount of £700,000 (equivalent to 2,800,000 ordinary shares of 25p each or 4.9 per cent. of the Company's existing issued ordinary share capital), as if section 89(1) does not apply. This authority will lapse no later than 15 months after the passing of the special resolution.

As indicated in the Chairman's statement, the directors intend to use this authority to issue new shares to participants in the Temple Bar Investment Trust Savings Scheme and the Temple Bar Investment Trust PEP or to other prospective purchasers whenever they believe it may be advantageous to shareholders to do so. Any such issues would only be made at prices greater than net asset value and therefore would not dilute (and might increase) the assets underlying each share. The issue proceeds would be available for investment in line with the Company's investment policy.

No issues of shares will be made which would alter the control of the Company without the prior approval of shareholders in general meeting.

The appropriate resolutions are set out in the notice of meeting on page 32.

The Company does not intend to make use of more than 7.5 per cent. of its issued ordinary share capital by way of non pre-emptive issues for cash in any rolling three year period.

By order of the Board of Directors
Miss A J Marsh
Secretary

32 St. Mary at Hill
London EC3P 3AJ

21st February, 1994

Statement of directors' responsibilities in respect of the accounts

Company law requires the directors to prepare accounts 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 that period and of the revenue of the Group for that period. In preparing those accounts, the directors are required to:

- select appropriate accounting policies and then apply them consistently on the basis of judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Company and of the Group and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for taking such steps as are reasonably open to them for safeguarding the assets of the Company and of the Group and for the prevention and detection of fraud and other irregularities.

Report of the auditors

Report of the auditors to the members of Temple Bar Investment Trust PLC

We have audited the accounts on pages 19 to 30, which have been prepared in accordance with Auditing Standards.

Respective responsibilities of directors and auditors

As described above the Company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the Company and of the Group at 31st December, 1993 and of the revenue, total recognised gains and cash flows of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

COOPERS & LYBRAND Coopers + Lybrand
Chartered Accountants and Registered Auditors
Plumtree Court, London
21st February, 1994

Consolidated profit and loss account

	Notes	Year to 31st December, 1993 £'000	Year to 31st December, 1992 £'000
INCOME FROM FIXED ASSET INVESTMENTS			
Franked investment income	2	8,329	9,942
Unfranked investment income	3	3,492	296
Rental income		1,097	1,213
		12,910	11,451
Interest receivable and similar income	4	419	1,194
Dealing profit in subsidiary company		50	–
		13,379	12,645
Investment management and administration expenses	6	1,304	1,190
		12,075	11,455
Interest payable	10	2,590	1,208
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		9,485	10,247
Taxation	11	1,812	2,432
PROFIT AFTER TAXATION ATTRIBUTABLE TO SHAREHOLDERS		7,673	7,815
Retained profit brought forward		7,865	7,682
		15,538	15,497
Dividends	13	7,805	7,632
Retained profit carried forward		7,733	7,865
Earnings per ordinary share	14	13.319p	13.570p

Consolidated balance sheet

	Notes	31st December, 1993 £'000	31st December, 1993 £'000	31st December, 1992 £'000	31st December, 1992 £'000
FIXED ASSETS					
Investments:					
Investment properties	15		11,725		9,895
Listed	16	234,058		194,736	
Unlisted	16	500		500	
			234,558		195,236
			246,283		205,131
CURRENT ASSETS					
Debtors	17	3,961		4,279	
Cash at bank		5,052		5,113	
		9,013		9,392	
Creditors: amounts falling due within one year	18	7,665		8,858	
NET CURRENT ASSETS			1,348		534
TOTAL ASSETS LESS CURRENT LIABILITIES			247,631		205,665
Creditors: amounts falling due after more than one year	19		26,631		26,669
NET ASSETS			221,000		178,996
CAPITAL AND RESERVES					
Called up share capital	21		15,271		15,268
Share premium account	22		35		–
Revaluation reserve	22		3,908		2,078
Other reserves –					
non distributable	22				
Realised profits			113,475		96,956
Unrealised profits			80,578		56,829
Profit and loss account	22		7,733		7,865
TOTAL SHAREHOLDERS' FUNDS			221,000		178,996

The accounts on pages 19 to 30 were approved by the directors on 21st February, 1994 and were signed on their behalf by:–

R Smith }
E H Sharp } Directors

R Smith

E H Sharp.

Balance sheet

	Notes	31st December, 1993 £'000	31st December, 1993 £'000	31st December, 1992 £'000	31st December, 1992 £'000
FIXED ASSETS					
Investments:	16				
Listed		234,050		194,736	
Unlisted		500		500	
Subsidiary companies		11,725		12,153	
			246,283		207,389
CURRENT ASSETS					
Debtors	17	4,005		4,172	
Cash at bank		4,459		4,775	
		8,464		8,947	
Creditors: amounts falling due within one year	18	7,262		8,291	
NET CURRENT ASSETS			1,202		656
TOTAL ASSETS LESS CURRENT LIABILITIES			247,485		208,045
Creditors: amounts falling due after more than one year	19		33,797		34,294
NET ASSETS			213,688		173,751
CAPITAL AND RESERVES					
Called up share capital	21		15,271		15,268
Share premium account	22		35		-
Other reserves –					
non distributable	22				
Realised profits			111,728		95,209
Unrealised profits			80,578		56,829
Profit and loss account	22		6,076		6,445
TOTAL SHAREHOLDERS' FUNDS			213,688		173,751

The accounts on pages 19 to 30 were approved by the directors on 21st February, 1994 and were signed on their behalf by:–

R Smith
E H Sharp } Directors

Consolidated statement of total recognised gains and losses

	Year to 31st December, 1993	Year to 31st December, 1992
	£'000	£'000
CAPITAL PROFITS		
Net realised gains for the year		
Investments	16,519	8,299
Investment properties	–	103
Unrealised appreciation/(depreciation)		
Investments	23,749	15,099
Investment properties	1,830	(155)
Capital surplus for the year	42,098	23,346
REVENUE PROFITS		
Available for distribution	7,673	7,815
TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR	49,771	31,161

Reconciliation of movements in shareholders' funds

	Year to 31st December, 1993	Year to 31st December, 1992
	£'000	£'000
Revenue profit available for distribution	7,673	7,815
Dividends	(7,805)	(7,632)
	(132)	183
Non distributable capital surplus	42,098	23,346
Conversion of loan stock into ordinary shares	38	14
NET ADDITION TO SHAREHOLDERS' FUNDS	42,004	23,543
Opening shareholders' funds	178,996	155,453
CLOSING SHAREHOLDERS' FUNDS	221,000	178,996

Consolidated cash flow statement

	Notes	31st December, 1993		31st December, 1992	
		£'000	£'000	£'000	£'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	23		9,943		15,963
SERVICING OF FINANCE					
Dividends paid		(7,689)		(7,488)	
Interest paid		(2,732)		(1,490)	
Net cash outflow			(10,421)		(8,978)
TAXATION					
Corporation tax paid			(185)		(508)
INVESTING ACTIVITIES					
Purchases of investments		(65,136)		(65,432)	
Sales of investments		65,738		50,773	
Sales of investment properties		-		2,937	
Net cash inflow/(outflow)			602		(11,722)
TOTAL CASH OUTFLOW BEFORE FINANCING			(61)		(5,245)
FINANCING					
Redemption of convertible unsecured loan stock 2002		-		(24,767)	
Issue of debenture stock 2017		-		25,000	
Discount on issue of debenture stock		-		(63)	
Debenture stock issue expenses		-		(258)	
Net cash outflow			-		(88)
DECREASE IN CASH AND CASH EQUIVALENTS	23		(61)		(5,333)

Statement of accounting policies

GENERAL
The accounts are prepared in accordance with accounting standards applicable in the United Kingdom, on the historical cost basis of accounting modified to include the revaluation of certain fixed asset investments.

The format of the profit and loss account has been amended to consolidate the income and expenditure of the Company's subsidiary companies on a line by line basis. Hence prior year figures have been restated. Previously, the earnings of the subsidiary companies were shown separately from the profit attributable to the parent company.

CONSOLIDATION
All subsidiary companies make up accounts to 31st December and profits for the year ended on that date are included in the Group results in full. Where subsidiary companies are acquired or sold during the year the results are included in the consolidation from the date of acquisition and up to the date of disposal respectively.

INVESTMENTS
Listed investments are stated at market value which is based upon middle market prices at the accounting date. Investments in overseas companies listed both abroad and on the London Stock Exchange, are classified as investments listed abroad.

Unlisted investments are stated at values determined by the Directors. Current asset investments are stated at the lower of cost and market value.

INVESTMENT PROPERTIES
In accordance with SSAP19, (i) investment properties are revalued annually and the aggregate surplus or deficit is transferred to the Revaluation reserve, and (ii) no depreciation or amortisation is provided in respect of freehold investment properties. The requirement of the Companies Act 1985 is to depreciate all properties, but that requirement conflicts with the generally accepted principle set out in SSAP19. In view of the nature of the Company's activities and the nature of its interest in these properties, the Directors consider that to depreciate such properties would not give a true and fair view, but that a true and fair view is given following SSAP19 as described above.

SUBSIDIARY COMPANIES
Investments in subsidiary companies are valued at the lower of cost or net asset value, as in the opinion of the Directors this most fairly reflects the value of the investment.

INCOME AND EXPENSES
All income and expenses are treated on the accruals basis, dividend income is included in revenue when an investment is quoted ex-dividend. Dividends received as scrip dividends are taken to the revenue account.

DEFERRED TAXATION
Deferred taxation is provided by the liability method on timing differences, except where there is reasonable probability that such liability will not arise in the foreseeable future.

EXCHANGE RATES
Earnings, assets and liabilities in foreign currencies are translated to sterling at the rates of exchange ruling at the accounting date. Realised and unrealised capital gains and losses, together with exchange differences arising on the translation of foreign currency assets and liabilities, are dealt with in the non-distributable reserves.

DEBENTURE AND LOAN STOCK
Interest payable is treated on an accruals basis and charged against revenue. Discounts on issue or premiums on redemption are charged against realised capital reserves and the share premium account.

1 COMPANY PROFIT AND LOSS ACCOUNT

The Company has taken advantage of the exemption from presenting its own profit and loss account provided by section 228(7) of the Companies Act 1985.

2 FRANKED INVESTMENT INCOME

	1993 £'000	1992 £'000
Income from listed investments	8,271	9,889
Income from unlisted investments	50	53
	8,321	9,942

3 UNFRANKED INVESTMENT INCOME

	£'000	£'000
Income from UK fixed interest securities	1,841	111
Overseas dividends	–	106
Scrip dividends	1,651	79
	3,492	296

4 INTEREST RECEIVABLE AND SIMILAR INCOME

	£'000	£'000
Bank interest	184	1,097
Underwriting commission	207	97
Other	28	–
	419	1,194

5 TOTAL INCOME OF THE INVESTMENT TRUST

	£'000	£'000
Dividends – Great Britain	8,321	9,942
– overseas	–	106
– subsidiaries	53	–
Scrip dividends	1,651	79
Income from UK fixed interest securities	1,841	111
Other income – group interest	399	607
– bank interest	147	1,069
– underwriting commission	207	97
– other	28	–
	12,647	12,011

Group interest receivable is derived from a loan of £11.675m made to Temple Bar Properties Limited on 25th March, 1987 to finance the acquisition of the investment property portfolio, net of interest payable on amounts due to Temple Bar Properties Limited.

6 INVESTMENT MANAGEMENT AND ADMINISTRATIVE EXPENSES

Such expenses of the Group include:–	£'000	£'000
Investment management fee	708	583
Administration charge	135	138
Auditor's remuneration – audit	19	19
Directors' fees (see note 7 below)	69	62

Fees payable by the Group to the auditors in 1993 for non audit matters totalled £21,000 (1992, £61,425), inclusive of VAT (including £Nil (1992, £18,000) charged against realised profits – non distributable). Auditor's remuneration in relation to the audit of the parent company totalled £15,000 (1992, £14,000).

7 DIRECTORS' REMUNERATION

	1993	1992
	£'000	£'000
Fees	69	62
Emoluments of the Chairman	13	12

Six directors (1992, six), excluding the Chairman, received emoluments (excluding pension contributions) of between £5,000-£10,000; In 1992 two directors who retired during the year received emoluments (excluding pension contributions) of between £0-£4,999.

8 SUBSIDIARY COMPANIES' EARNINGS

	£'000	£'000
Property income	1,097	1,213
Investment income and interest receivable	37	28
Dealing profit	50	–
	1,184	1,241
Administrative expenses	(205)	(215)
Auditor's remuneration – audit	(4)	(5)
Net interest payable to parent company	(399)	(607)
Bank interest payable	(2)	–
	574	414

9 EMPLOYEES

The Group has no employees other than the directors. All managerial and administrative services are provided to the Group by Guinness Flight Investment Trust Managers Limited, pursuant to the management contract.

10 INTEREST PAYABLE

	£'000	£'000
On 6 per cent. convertible unsecured loan stock 2002	98	947
On 9⅞ per cent. debenture stock 2017	2,465	142
On bank loans, overdrafts and other accounts repayable within five years	27	119
	2,590	1,208

11 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	£'000	£'000
Based on profits for the year		
Section 242 Taxes Act 1988 reclaim	(263)	(22)
Overseas taxation	–	15
Deferred taxation charge	223	106
Deferred taxation credit	–	(46)
Tax credits on franked investment income	1,888	2,486
Prior year adjustment	(36)	(107)
	1,812	2,432
Investment trust	1,528	2,528
Subsidiary companies	284	(96)
	1,812	2,432

12 PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS

The profit attributable to ordinary shareholders includes £7,614,296 (1992, £7,261,202) which has been dealt with in the accounts of the Company.

13 DIVIDENDS

	1993 £'000	1992 £'000
On 7 per cent. (now 4.9 per cent. plus associated tax credit) cumulative preference stock	28	28
On 4.2 per cent. cumulative preference stock	16	16
	44	44
On ordinary shares		
Interim of 4.60p per share paid 30th September, 1993 (1992, 4.50p)	2,635	2,577
Proposed final of 8.95p per share to be paid 31st March, 1994 (1992, 8.75p)	5,126	5,011
	7,761	7,588

14 EARNINGS PER ORDINARY SHARE

The calculation of basic earnings per ordinary share is based on group earnings of £7,628,994 (1992, £7,771,043) being the profit on ordinary activities after taxation, less the preference dividends and on 57,279,018 (1992, 57,267,092) ordinary shares.

15 INVESTMENT PROPERTIES

Valuation at 1st January, 1993 £'000	Additions at cost £'000	Disposals at valuation £'000	Revaluations £'000	Valuation at 31st December 1993 £'000
9,895	–	–	1,830	11,725

The investment properties, all of which are freehold, are stated in the balance sheet at their aggregate open market value, based on an independent valuation carried out at 31st December, 1993 by Cluttons, chartered surveyors, appointed by the Company. The original cost of the investment properties was £7,817,781 (1992, £7,817,781).

16 INVESTMENTS

	Group and Company 1993 £'000	Group and Company 1992 £'000
Unlisted investments		
Unlisted investments comprise:–		
Unquoted – at cost and valuation		
Great Britain	500	500

Listed investments of the Group and Company

Changes in investments	Valuation 1st January, 1993 £'000	Purchases £'000	Disposals at valuation £'000	Appreciation £'000	Valuation 31st December 1993 £'000
Great Britain	194,736	64,016	(60,326)	35,632	234,058

16 INVESTMENTS continued

	£'000
The book cost of listed investments at 31st December, 1993 was:–	
Great Britain	153,480

Future liabilities

The Group and the Company had future liabilities for calls payable in respect of partly paid investments of £1,715,480 at 31st December, 1993 (1992, £2,798,250).

Subsidiary companies

	Shares £'000	Loan £'000	Total £'000
At 1st January, 1993	478	11,675	12,153
Movements in year	(428)	–	(428)
At 31st December, 1993	50	11,675	11,725

The cost of shares in subsidiary companies is £50,100 (1992, £478,553).

The subsidiary companies, which are all wholly owned, incorporated and operating in Great Britain and registered in England, are:–

Held by the Company	Holding
Temple Bar Properties Limited	100 ordinary shares of £1 each
Temple Bar Securities Limited	50,000 ordinary shares of £1 each

During the year two dormant subsidiary companies, Temple Bar Consultants Limited and Temple Bar Leasing Limited, were placed in members' voluntary liquidation.

17 DEBTORS

	Group 1993 £'000	Group 1992 £'000	Company 1993 £'000	Company 1992 £'000
Amounts falling due within one year				
Sales for future settlement	1,570	2,410	1,570	2,410
Due from subsidiary companies	–	–	289	111
Deferred tax credit on accrued interest	–	47	–	47
Income tax recoverable	65	27	65	27
Other debtors	245	659	–	441
Prepayments and accrued income	1,701	1,136	1,701	1,136
Tax credit recoverable	380	–	380	–
Total debtors	3,961	4,279	4,005	4,172

18 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£'000	£'000	£'000	£'000
Purchases for future settlement	1,613	2,733	1,613	2,733
Accruals and deferred income	540	578	254	288
Other creditors	139	134	36	62
Corporation tax	–	189	–	–
Social security and other taxation	17	16	3	–
Interest accrued on convertible unsecured loan stock	33	33	33	33
Interest accrued on debenture stock	–	142	–	142
Dividends accrued on preference stock	22	22	22	22
Proposed final dividend on ordinary shares of the Company	5,126	5,011	5,126	5,011
Deferred tax	175	–	175	–
	7,665	8,858	7,262	8,291

19 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	1993	1992	1993	1992
	£'000	£'000	£'000	£'000
Amount owed to subsidiary companies	–	–	7,166	7,625
6 per cent. convertible unsecured loan stock 2002	1,631	1,669	1,631	1,669
9⅞ per cent. debenture stock 2017	25,000	25,000	25,000	25,000
	26,631	26,669	33,797	34,294

a) 6 per cent. convertible unsecured loan stock 2002

The stock carries the right to convert into ordinary shares having a nominal value of £128,624 at a conversion price of 317p per share during the month of April in each of the years 1994 to 2002 (inclusive). Any stock remaining in issue is repayable at par on 31st August, 2002.

b) 9⅞ per cent. debenture stock 2017

The stock is secured by a floating charge over the assets of the Company. The stock is repayable at par on 31st December, 2017.

20 PROVISIONS FOR LIABILITIES AND CHARGES

	£'000	£'000	£'000	£'000
Deferred taxation provided in the accounts is in respect of accrued interest receivable	175	–	175	–

The potential liability to corporation tax on capital gains on the revaluation of the investment properties in total that would arise on their disposal is £Nil (1992, £Nil).

21 SHARE CAPITAL

	Authorised		Allotted, called up and fully paid	
	1993	1992	1993	1992
	£	£	£	£
7 per cent. (now 4.9 per cent. plus associated tax credit) cumulative preference stock	566,500	566,500	566,500	566,500
4.2 per cent. cumulative preference stock	384,704	384,704	384,704	384,704
Ordinary shares of 25p each	21,048,796	21,048,796	14,319,754	14,316,773
	22,000,000	22,000,000	15,270,958	15,267,977

During April 1993 £37,808 of 6 per cent. convertible unsecured loan stock 2002 was tendered for conversion into ordinary shares at a conversion price of 317p per share. As a result, 11,926 ordinary shares were allotted, credited as fully paid, on 10th May, 1993.

22 RESERVES

	Group	Company
	1993	1993
	£'000	£'000
Share premium account		
Balance at 1st January, 1993	–	–
Arising on conversion of £37,808 6 per cent. convertible unsecured loan stock 2002	35	35
Balance at 31st December, 1993	35	35
Revaluation reserve		
Balance at 1st January, 1993	2,078	–
Revaluation surplus on investment properties (see note 15)	1,830	–
Balance at 31st December, 1993	3,908	–

22 RESERVES continued

	Group 1993 £'000	Company 1993 £'000
OTHER RESERVES		
Realised profits – non distributable		
Balance at 1st January, 1993	96,950	95,209
Net profits on realisations of investments	4,572	4,572
Transfer from unrealised reserves	11,883	11,883
Tax credit on prior year debenture issue expenses	64	64
Balance at 31st December, 1993	113,475	111,728
Unrealised profits – non distributable		
Balance at 1st January, 1993	56,829	56,829
Transfer to realised profits – non distributable	(11,883)	(11,883)
Increase in valuation of listed investments (see note 16)	35,632	35,632
Balance at 31st December, 1993	80,578	80,578
Profit and loss account – distributable		
Balance at 1st January, 1993	7,865	6,445
Retained losses for the year	(132)	(369)
Balance at 31st December, 1993	7,733	6,076

23 CONSOLIDATED CASH FLOW STATEMENT

	1993 £'000	1992 £'000
a) Reconciliation of operating profit to net cash flow from operating activities		
Profit on ordinary activities before interest and taxation	12,075	11,455
(Increase)/decrease in accrued income	(565)	163
Decrease in debtors	353	3,993
(Decrease)/increase in creditors	(32)	2,838
Tax on franked investment income	(1,888)	(2,486)
Net cash inflow from operating activities	9,943	15,963
b) Analysis of changes in cash and cash equivalents during the year		
Balance at 1st January, 1993	5,113	10,446
Net cash outflow	(61)	(5,333)
Balance of cash at bank at 31st December, 1993	5,052	5,113

c) Analysis of changes in financing during the year	Share capital £'000	Loans, including convertible unsecured loan stock £'000
Balance at 1st January, 1993	15,268	26,669
Conversion of convertible unsecured loan stock	3	(38)
Balance at 31st December, 1993	15,271	26,631

Financial calendar

ANNUAL GENERAL MEETING		
The Watermen's Hall 18 St. Mary at Hill, London EC3		11 a.m., 28th March, 1994
ORDINARY SHARES		
Final dividend, 1993	– payable	31st March, 1994
	– ex-dividend date	28th February, 1994
	– record date	10th March, 1994
Interim dividend, 1994		End of September, 1994
Final dividend, 1994		End of March, 1995
DIVIDENDS ON CUMULATIVE PREFERENCE STOCKS		
7 per cent. (now 4.9 per cent. plus associated tax credit)		February and August
4.2 per cent.		January and July
6 PER CENT. CONVERTIBLE UNSECURED LOAN STOCK 2002		
Interest payments		28th February and 31st August
Conversion period		1st to 30th April
9⅞ PER CENT. DEBENTURE STOCK 2017		
Interest payments		30th June and 31st December

Capital gains tax information

Shareholders may find the following market values of the Company's ordinary shares and preference stocks as at 31st March, 1982 helpful in calculating their liability to capital gains tax:–

	31st March, 1982
Ordinary shares	57.5p
7 per cent. (now 4.9 per cent. plus associated tax credit) cumulative preference stock	47.5p
4.2 per cent. cumulative preference stock	34.5p

Analysis of ordinary shareholders as at 31st December, 1993

	Number of holders	%	Number of shares held	%	31 Dec 1992 %
Individual holders*	8,573	68.2	♦24,195,258	42.2	38.8
Banks and nominees	3,098	24.7	21,979,759	38.4	38.5
Other institutional holders	896	7.1	11,104,001	19.4	22.7
	12,567	100.0	57,279,018	100.0	100.0

* 1992: Individual holders 7,012

♦ *Including shares held through the Temple Bar Investment Trust Savings Scheme and Personal Equity Plan and shares held through other PEP plans and by private clients (where identifiable).*

Notice of meeting

NOTICE IS HEREBY GIVEN that the sixty eighth annual general meeting of Temple Bar Investment Trust PLC will be held at 11.00 a.m. on Monday 28th March, 1994 at The Watermen's Hall, 18 St. Mary at Hill, London EC3:–

to lay before the members of the Company the group accounts for the year ended 31st December, 1993, together with the reports of the directors and auditor thereon,

to declare a dividend,

to re-elect directors,

to re-appoint the auditor and to 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, of which resolution A will be proposed as an ordinary resolution and resolution B will be proposed as a special resolution.

RESOLUTION A

That the directors be and are hereby generally and unconditionally authorised in accordance with section 80 of the Companies Act 1985 for a period ending at the conclusion of the annual general meeting of the Company in 1995 or the date falling fifteen months from the date of this resolution (if earlier), to allot relevant securities (as defined by the said section) up to an aggregate maximum nominal amount of £1,700,000, but so that during the said period the Company and its directors may make offers or agreements which would or might require relevant securities to be allotted during or after the expiry of such period.

RESOLUTION B

That:–

(a) the directors be and they are hereby empowered pursuant to section 95 of the Companies Act 1985 to allot equity securities (as defined in section 94 of that Act) for cash, in accordance with the authority conferred on them by this meeting to allot relevant securities (as defined in section 80 of that Act), as if section 89(1) of that Act did not apply to the allotment, provided that the power conferred by this resolution shall be limited to:–

(i) the allotment of equity securities in connection with a rights issue in favour of ordinary shareholders where the equity securities respectively attributable to the interests of all ordinary shareholders are proportionate to the respective numbers of ordinary shares held by them on the record date of such allotment (but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or legal problems under the law of, or the requirements of any recognised regulatory body or any stock exchange in, any territory); and

(ii) the allotment (otherwise than pursuant to sub paragraph (i) above) of equity securities up to an aggregate nominal value not exceeding £700,000; and

(b) the Company may make an offer or agreement before this power has expired, which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

Dated this 23rd day of February, 1994

By order of the Board of Directors
Miss A J Marsh
Secretary

32 St. Mary at Hill
London EC3P 3AJ

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. A proxy need not be a member of the Company. A form of proxy is enclosed.

2. Instruments of proxy and the power of attorney or other authority, if any, under which they are signed or a notarially certified copy of that power or authority should be sent to Bank of Scotland, Registrar Department, 26a York Place, Edinburgh EH1 3EY so as to arrive no later than 48 hours before the time appointed for the meeting.

   Completion and return of the form of proxy will not preclude shareholders from attending and voting at the meeting in person should they wish to do so.

3. The Register of Directors' Interests kept by the Company in accordance with section 325 of the Companies Act 1985 will be open for inspection at the meeting.

4. None of the directors has a service contract with the Company.

5. Only holders of ordinary shares or their proxies are entitled to attend and vote at the meeting.