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Temple Bar

Investment Trust PLC



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COMPANIES HOUSE 26/03/03



Report and
Accounts
2002

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The front cover shows an artist's impression of Temple Bar, when relocated to Paternoster Square, by St Paul's Cathedral, 2004.

Company Summary

INVESTMENT OBJECTIVE	To provide growing income combined with growth in capital, principally through investment in a portfolio of UK equities.	
INVESTMENT POLICY	The Company invests with an emphasis on companies that offer fundamental value in terms of good asset backing and above average yields. The Company aims to maintain a balance between larger and smaller/medium sized companies, with normally 70% of the portfolio invested in large blue chip companies.	
BENCHMARK	Performance is measured against the FTSE All-Share Index and the FTSE 350 Higher Yield Index.	
TOTAL ASSETS	£352,769,000.	
SHAREHOLDERS' FUNDS	£278,066,000.	
MARKET CAPITALISATION	£276,190,000.	
CAPITAL STRUCTURE	Ordinary Shares	57,901,599 shares
	5.5% Debenture Stock 2021	£38,000,000
	9.875% Debenture Stock 2017	£25,000,000.
VOTING STRUCTURE	Ordinary Shares 100%.	
WINDING-UP DATE	None.	
MANAGERS' FEES	0.35% per annum based on the value of the investments (including cash) of the Company.	
PEP/ISA STATUS	The Company's shares are capable of being held in an ISA and are a qualifying investment under the Personal Equity Plan regulations.	
AITC	Member.	

Summary of results

	2002 £'000	2001 £'000	Percentage increase/ (decrease)
ASSETS as at 31 December			
Consolidated net assets	<u>278,066</u>	<u>356,292</u>	(21.96)%
Ordinary shares			
Net asset value per share	480.24p	615.43p	(21.97)%
Market price	477.00p	609.00p	(21.67)%
Discount	<u>0.7%</u>	<u>1.0%</u>	
REVENUE for the year ended 31 December	2002 £'000	2001 £'000	
Revenue return attributable to ordinary shareholders	<u>14,674</u>	<u>14,198</u>	3.35%
Earnings per ordinary share	<u>25.34p</u>	<u>24.56p</u>	3.18%
Dividends per ordinary share	<u>25.59p</u>	<u>24.84p</u>	3.02%
CAPITAL for the year ended 31 December	2002 £'000	2001 £'000	
Capital return attributable to ordinary shareholders	<u>(78,140)</u>	<u>(33,074)</u>	
Capital return attributable per ordinary share	<u>(134.96)p</u>	<u>(57.21)p</u>	

TOTAL RETURNS (capital plus revenue) for the year to 31 December 2002	<u>%</u>
Return on net assets	(19.1)
Return on share price	(17.6)
FTSE All-Share Index	(22.68)
FTSE 350 Higher Yield Index	(16.39)
Change in Retail Prices Index over year	2.94
DIVIDEND YIELDS (NET) – 31 December 2002	
Yield on ordinary share price (477p)	5.26
Yield on FTSE All-Share Index	3.55
Yield on FTSE 350 Higher Yield Index	4.77

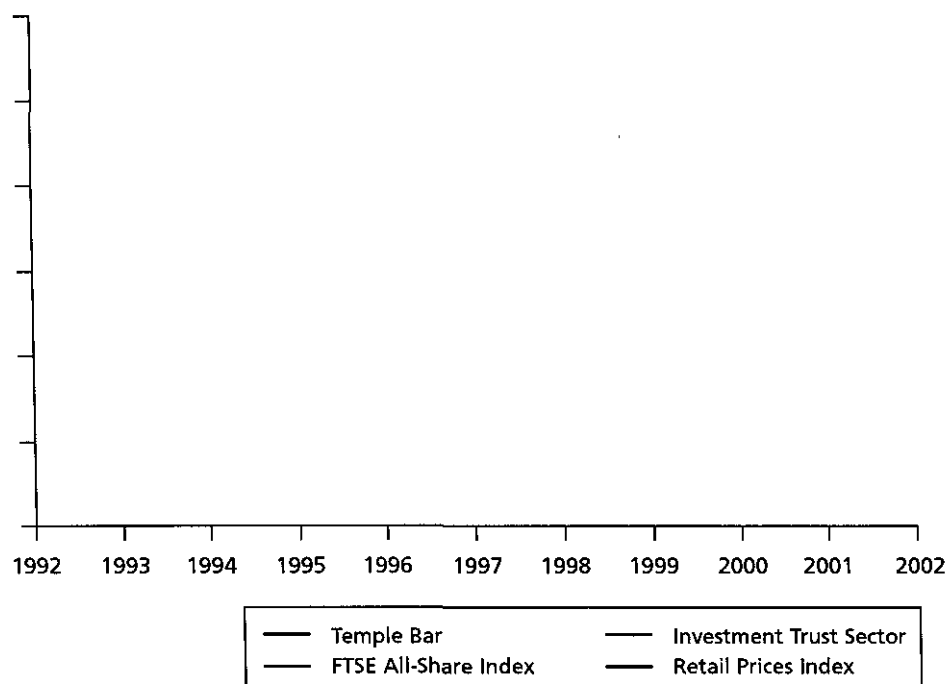
Ten year record

Year ended	Group total assets £'000	Group net assets £'000	Net assets per ordinary share p	Revenue return to ordinary shareholders £'000	Earnings per share p	Dividends per share (net) p
1993	255,296	221,000	384.17	7,900	13.79	13.55
1994	228,617	195,416	339.20	8,163	14.24	13.95
1995	260,235	228,092	395.42	10,252	17.86	14.55
1996	281,064	248,417	430.55	10,084	17.55	16.00
1997	341,446	308,290	533.82	11,339	19.70	17.60
1998	370,578	335,064	579.56	11,089	19.24	19.36
1999	442,136	369,391	639.16	12,102	20.96	21.30
2000	462,624	388,917	672.95	13,428	23.24	23.43
2001	430,262	356,292	615.43	14,198	24.56	24.84
2002	352,769	278,066	480.24	14,674	25.34	25.59

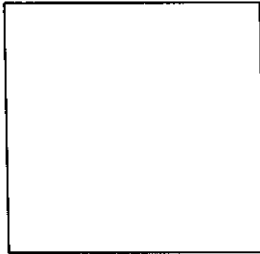
NOTE

In 1996 there was a change of policy on the charging of finance expenses. Half of these expenses are now charged to capital. The figures shown for 1995 and subsequent years are based on this new policy but earlier years have not been restated.

Comparative Dividend Growth

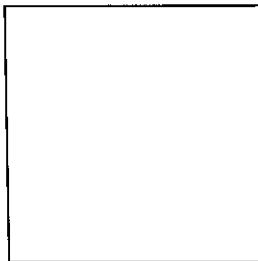
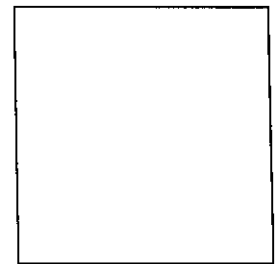


Directors



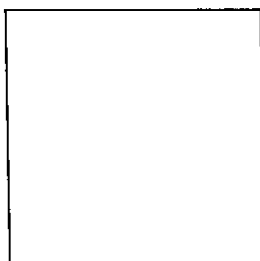
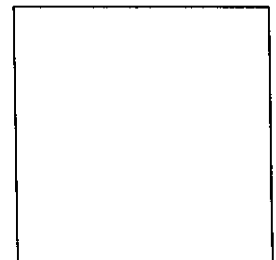
RONALD SCOTT BROWN*, Chairman, aged 66, was appointed a director in 1978. He has been involved in investment management since 1961, initially with Brander & Cruickshank. In 1983 he became one of the founding executives of Aberdeen Asset Management PLC and served as non executive deputy chairman of that company from 1995 until January 2003. He is also a director of Aberdeen New Dawn Investment Trust and a member of the governing body of the Caledonian Research Foundation.

GARY J ALLEN*†, aged 58, was appointed a director in 2001. He has over 35 years' experience in engineering and is currently chairman of IMI plc. His other directorships include The London Stock Exchange, NV Bekaert SA, and The National Exhibition Centre.



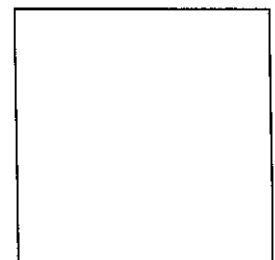
JOHN L HUDSON*, aged 57, was appointed a director in 1992. He is a former chief executive of Wagon plc and is currently chairman of Birmingham International Airport Limited, Whittan Group Limited and Metal Castings Limited and is chairman and chief executive of Calder Industrial Materials Limited.

RICHARD W JEWSON*, aged 58, was appointed a director in 2001. He first worked in the timber and building material supply industry, becoming managing director of Jewson the builders merchants for twelve years from 1974, and then managing director and chairman of its parent company Meyer International plc from which he retired in 1993. He is currently chairman of Savills plc, Queens Moat Houses plc, Octagon Healthcare Limited and Archant Limited, deputy chairman of Anglian Water Services Limited and a non executive director of Grafton Group plc.



JOHN REEVE*, aged 58, was appointed a director in 1992. He was formerly executive chairman of the Willis Group, group managing director of Sun Life Assurance Society and a member of the boards of the Association of British Insurers and the International Insurance Society; he is a director of a number of other companies.

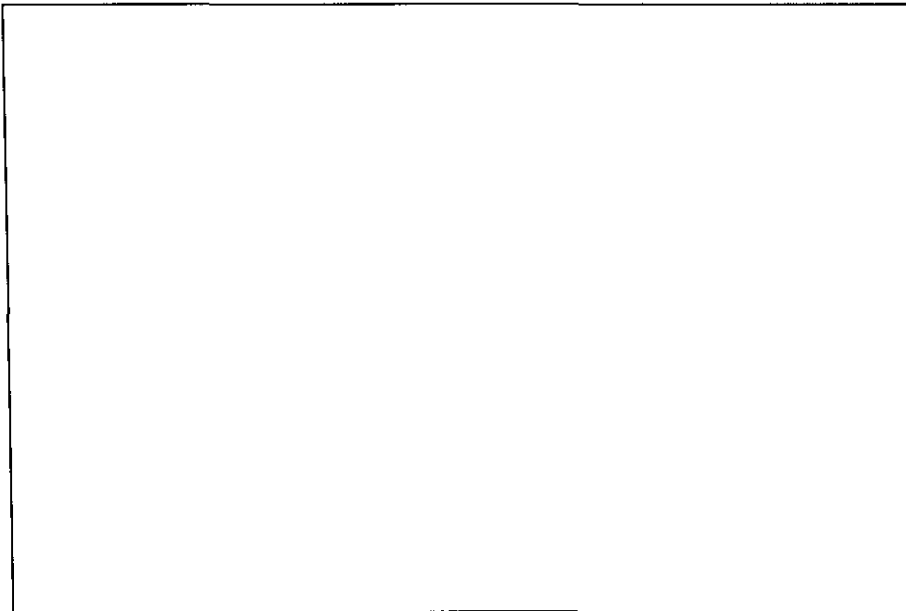
FIELD L J WALTON*, aged 62, was appointed a director in 1983. He started his career in engineering management and moved to the City as an analyst with Cazenove in 1971. Subsequently he held a number of positions in fund management. He is currently a director of MacArthur & Co. Limited and a non-executive director of Martin International Holdings Plc and a number of engineering and trust companies.



* Independent non-executive director and member of the audit committee.

† Chairman of the audit committee.

Management and administration



from left to right, Martin Slade, David Liddell, Alastair Mundy, Peter Lowery.

INVESTMENT MANAGER

Investec Investment Management Limited

Regulated by the FSA

2 Gresham Street, London EC2V 7QP

Telephone No. 020 7597 2000

Facsimile No. 020 7597 1803

REGISTERED OFFICE

2 Gresham Street, London EC2V 7QP

Secretary: Investec Investment Management Limited,
represented by M K Slade FCIS

REGISTERED NUMBER

Registered in England No. 214601

REGISTRAR

Lloyds TSB Registrars Scotland, PO Box 28448,
Finance House, Orchard Brae, Edinburgh EH4 1WQ
Telephone No: 0870 6015366 (shareholder helpline)
0891 105366 (broker helpline)

REGISTERED AUDITORS

PricewaterhouseCoopers LLP,

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

BANKERS AND CUSTODIAN

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

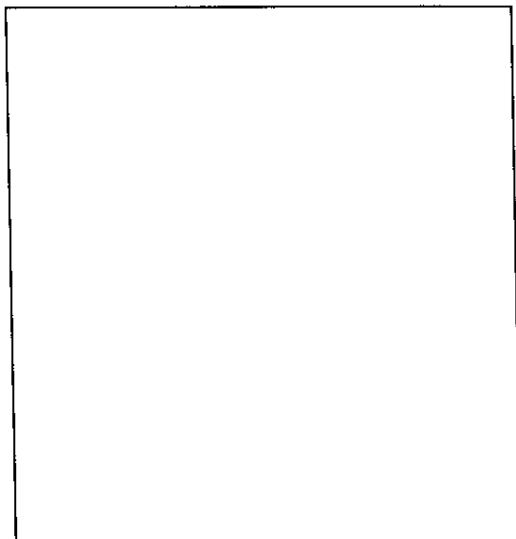
STOCKBROKERS

UBS Warburg Ltd, 1 Finsbury Avenue,
London EC2M 2PA

SOLICITORS

Eversheds, Senator House, 85 Queen Victoria Street,
London EC4V 4JL

Chairman's statement



RESULTS AND DIVIDEND

While equity markets were fairly stable in the first four months of 2002, the remainder of the year exhibited much greater volatility, which saw substantial falls both in the United Kingdom and throughout much of the world. Your Company was not exempt from these movements. Nevertheless, post tax revenues increased marginally compared with the previous year, partly as a result of lower management fees. Gross revenue was unchanged, although this masks a different mix, with an increased level of income from dividends generated by the equity portfolio offsetting a reduction in interest receipts which were well down on those of the previous year through lower interest rates.

Your Board is recommending a 3% increase in the final dividend, which will amount to 17.37p per share and follows a similar 3% increase in the interim dividend. Although rising in line with inflation, the increase in the final dividend is more modest than in recent years. The dividend will be payable on 31 March 2003 to those shareholders on the register of members as at 14 March 2003.

The total return on net assets was -19.1%, similar to the share price total return since, at the year end, the small discount to net asset value was unchanged from 2001. This compares with a total return of -22.7% for the FTSE All Share Index and -16.4% for the FTSE 350 Higher Yield Index.

Your Board keeps under regular review the investment objective of the Company which is to

provide growing income combined with growth in capital, principally through investment in a portfolio of UK equities. We remain of the view that this objective is appropriate and, while it is disappointing to report a fall in net assets, the severity of the market turbulence during the year made it impossible to do otherwise. It is small comfort, but your Company's performance over the year has, in a relative sense, been good compared with its peer group.

The twelve months ended 31 December 2002 will be remembered as one of the most difficult periods for equity investing. Not only was this the third consecutive year of equity market declines, but the period encompassed bouts of extreme volatility, with particularly sharp falls in July and September. Whereas in the previous two years the Company's emphasis on investments that offered fundamental value led to strong outperformance compared with the overall stock market, the trend favouring "value" over "growth" was less marked in the year just ended, although the relative defensive characteristics of the portfolio were still evident. Investor concerns about the economic outlook and the effect of continuing overcapacity in many industries were exacerbated by corporate accounting scandals and, more recently, the threat of hostilities in Iraq, leading to a general de-rating of equities. Further comment on the economic and investment background is contained in the Manager's report on page 10.

DEBT

Shareholders will be aware that the Company employs a relatively modest amount of gearing in the form of debentures, with a total nominal value of £63m or 18% of gross assets. There has been considerable publicity concerning the dangers of gearing in a bear market, but I am pleased to report that Temple Bar's relative asset performance has held up well despite the presence of debt. It should be noted that, for part of the period, the debt has largely been balanced by holding cash and bonds emphasising the point that, whilst gearing can be a major advantage for investment trusts over the longer term, this is dependent on sensible tactical asset allocation. Temple Bar's debt is long term with £25m falling due for payment in 2017 and £38m in 2021.

Chairman's statement continued

FUND MANAGER

The Board would like to express its appreciation of Chris Burvill's service to the Company as investment manager over a number of years. Chris resigned from the Manager in July of last year and we wish him well for the future.

We are pleased to have appointed Alastair Mundy to succeed Chris Burvill in the day to day management of the portfolio after assisting him for the past two years. He is supported in this role by Peter Lowery and other members of the Investec team.

OUTLOOK

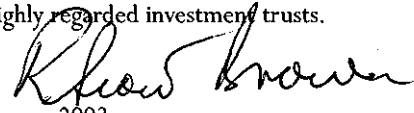
Putting aside what we hope will be shorter term concerns as regards hostilities in Iraq, the medium term prospects for equities will depend on a recovery in corporate profitability. If the global economy experiences a period of sustained deflation then it will be hard for equities to make significant progress. On balance we think that there is sufficient will in the US to reflate that economy which will lead to a modest global recovery. We do believe that, relative to other developed markets, the UK equity market represents good value, not least because it has been particularly hard hit by the forced selling of equities by insurance companies anxious to meet their solvency requirements. In addition, yields from UK equities are now historically attractive.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held at 11.00 a.m. on Monday 31 March 2003 at 2 Gresham Street, London EC2V 7QP. I look forward to meeting as many shareholders as are able to attend.

CHAIRMAN

It has been a great privilege to have been Chairman of the Company for the past four years and in this role I have been enormously supported by a strong team of Directors. However, I have for some time been reducing my business commitments and I have indicated to my colleagues that I will retire as a Director at the conclusion of the Annual General Meeting. I am glad to say that my successor will be John Reeve. He brings a wealth of business experience to the position and with the support of an excellent Board I am sure that the Company will maintain its strength and continue to be one of the most highly regarded investment trusts.


18 February 2003

Ronald Scott Brown

I am delighted to have been selected by my fellow directors to succeed Ronald Scott Brown as Chairman of Temple Bar Investment Trust.

Ronnie had led and guided the Board as Chairman for four years and has served as a director with great distinction for 25 years. During that time the Trust has become widely recognised as one of the best performing investment trusts in its sector. Ronnie's legal background has enabled him over the years to bring great experience and wisdom to the overseeing of Temple Bar's affairs. These qualities, coupled with an engaging personality, have ensured that Ronnie has been a wonderful colleague over many years. He has added much value to Board discussions on a wide range of subjects.

We all wish Ronnie the very best of luck for the future.

John Reeve

Twenty largest investments

as at 31 December 2002

Company	Valuation			Valuation	
	31 December 2001	Net Purchases/ (Sales)	Appreciation/ (Depreciation)	31 December 2002	Total Assets
	£'000	£'000	£'000	£'000	%
GlaxoSmithKline	18,311	7,417	(6,915)	18,813	5.33
BP	18,928	3,361	(3,782)	18,507	5.25
HSBC	8,815	12,327	(2,990)	18,152	5.14
Lloyds TSB	19,183	738	(7,480)	12,441	3.53
Shell Transport & Trading	15,740	(1,818)	(1,817)	12,105	3.43
BT	9,737	3,321	(1,959)	11,099	3.15
Barclays	–	13,194	(2,530)	10,664	3.02
National Grid	13,525	(5,382)	1,696	9,839	2.79
Scottish Power	12,569	(2,491)	(288)	9,790	2.77
Gallaher	8,401	(3,047)	3,043	8,397	2.38
Rio Tinto	7,802	–	(451)	7,351	2.08
Investec UK Smaller Companies Fund	8,287	17	(1,119)	7,185	2.04
Aviva	5,456	4,272	(3,203)	6,525	1.85
Alliance & Leicester	6,865	–	(455)	6,410	1.82
Imperial Tobacco	–	5,544	448	5,992	1.70
United Utilities	5,794	–	123	5,917	1.68
Hilton	–	5,498	(272)	5,226	1.48
EMI	2,002	7,024	(3,807)	5,219	1.48
Standard Chartered	5,608	–	(768)	4,840	1.37
Prudential	8,411	(274)	(3,471)	4,666	1.32
	<u>175,434</u>	<u>49,701</u>	<u>(35,997)</u>	<u>189,138</u>	<u>53.61</u>

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

Asset allocation as at 31 December 2002

BY CLASS(%)

PORTFOLIO DISTRIBUTION (%)

Ordinary shares	88.67	Resources	11.95	Non-cyclical Services	4.34
Fixed interest	6.82	Basic Industries	5.22	Utilities	10.14
Preference shares	0.24	General Industries	1.82	Financials	23.87
Cash	4.27	Cyclical Consumer Goods	1.01	Information Technology	0.67
	<u>100.00</u>	Non-cyclical Consumer Goods	17.03	Collective Investment Schemes	2.15
		Cyclical Services	14.67	Fixed Interest	7.13
					<u>100.00</u>

Manager's report

Entering 2002, most market commentators felt that the global reductions in short-term interest rates would prove sufficient to stimulate the world's economies, albeit with a more lagged response than usual, and bring an end to the equity bear markets. However, as the year progressed, it became clear this was not a typical post war economic cycle.

In modern times, we have become used to a reasonably predictable sequence of events; the onset of high inflation controlled by the effect of higher interest rates on consumer expenditure causing sub par economic growth until low interest rates are introduced to release the pent-up consumer demand and re-invigorate economic growth.

In its place we face the after effects of a massive equity bubble which allowed corporate management to believe they had entered a period entirely different from anything they had previously experienced. This encouraged them to increase capital spending way beyond its normal levels and finance this expenditure through higher levels of debt. Meanwhile, the consumer has remained reasonably untouched. Unemployment worldwide has remained fairly low and the series of interest rate cuts has actually brought forward purchases of many goods and services. We now find ourselves moving towards the bottom of the interest rate cycle with many major imbalances still present; high consumer and corporate debt, large levels of overcapacity in many industries, sizeable trade deficits and surpluses and low savings ratios.

Against this background and with the benefit of hindsight it is not surprising that the world's major stockmarkets suffered a third successive year of falls and the increasing correlation between these markets ensured there was no hiding place for the equity investor. What was particularly galling for an investor in the UK equity market was that little protection was provided by the strength of the UK economy, relative cheapness of its market and the apparent defensiveness of many of its constituents.

The natural conservatism of the Temple Bar portfolio, characterized by its exposure to high

yielding equities, shielded it from many of the worst excesses of the bear market. The holdings in the tobacco, electricity and water sectors proved very positive. Gallaher's combination of secure UK earnings combined with exposure to growing demand for upmarket brands in the developing Eastern European economies maintained the company's excellent record of earnings growth. The monopoly positions of Lattice and National Grid in their respective industries also proved that regulated earnings, while 'boring', are often an under-rated part of the market. The merger of these companies during the year also gave shareholders the benefits of some major cost savings.

Elsewhere, many of the year's highlights on the portfolio came from our relatively high weighting in companies outside the FTSE 100. Investors continued to focus on Rank as a major beneficiary of gambling de-regulation through its bingo and casino interests. Tullow Oil's profits grew strongly as the assets bought from BP performed well and encouraged the market to reappraise the company's prospects. Yule Catto also contributed positively to the portfolio's performance driven by its exposure to generic drug growth. As we moved into the latter part of the year we began reducing our holdings in Rank and Tullow Oil as we felt much of the good news had been discounted in their prices.

As with any year there were some decisions which went against us. Our purchase of British Energy was one. We believed wholesale electricity prices were stabilising and that new entrants would be discouraged from adding further capacity. Unfortunately, this was not so and the company's high fixed costs had a striking impact on operating profits and the balance sheet. We were also persuaded by Cable and Wireless's strategy to build a global telecommunications network incorporating internet services aimed at the corporate customer and our confidence was supported by the large amount of cash on the company's balance sheet. However, overcapacity in this market has badly damaged pricing while continued capital expenditure has reduced the cash balances.

Manager's report continued

As detailed last year, we had been concerned that the sudden popularity of investing in value shares had pushed many of our typical holdings to levels at which they were neither particularly high yielding nor out of favour. We therefore increased our exposure to some of the fallen stars of the technology boom which we felt had been harshly treated. This strategy had mixed success during the year: BSKyB and MMO2 produced good relative performance but we were attracted to Logica far too early and despite its merger with CMG the shares continued to disappoint.

As the bear market has become more protracted an increasing number of traditional value opportunities have arisen and we made a decision to switch back out of certain low yielding shares; a decision partly influenced by our desire to see the portfolio continue to generate good levels of revenue.

There is undoubtedly a good deal of pressure on dividends generally in the UK market and many companies have been forced to cut payments to shareholders as profits have fallen and balance sheets deteriorated. This will continue throughout 2003 but we feel that, on the whole, the majority of companies in the Temple Bar portfolio will not be affected by these cuts.

The economic uncertainty and the risks of war in Iraq leaves forecasting even more hazardous than usual. The US consumer, who has proved the powerhouse of the global economy, is under increasing strain and the US corporate sector remains laden with debt and overcapacity. Meanwhile, the moribund Japanese economy and the inflation obsessed European Union look unlikely to take up the running. There should though be no surprise about the presence of bad news; that is what bear markets are all about. The stockmarket should be about discounting the

future and here things look a touch brighter. The US Federal Reserve appears determined to show it has learnt from the deflationary spiral that the Japanese have found themselves in for a decade and a whole host of imaginative policy actions can be expected to be seen in 2003 to reflate the economy.

The UK equity market certainly appears cheap both in absolute terms and relative to other asset classes and international equity markets. However, the fear of forced selling by life insurers, aggressive behaviour of hedge funds and fears of a house price bubble and its knock-on effects suggest no-one should be surprised if equities hit further lows in 2003. It is essential to maintain some sanity when making investment decisions and, by basing our purchases and sales on time horizons seemingly beyond those of most investors, we believe we will maximize our profitable opportunities.

Therefore, our large overweight positions such as Barclays, BT and GlaxoSmithKline reflect our confidence that the bear market is nearing the end, of its first leg at least, and that exposure to the large, well capitalized companies is the best way to play this view. In addition, with the outlook this uncertain and revenue and profit growth likely to prove hard to come by, we would expect to see many companies pursue some of their growth ambitions through corporate activity. The first month of the financial year has seen a bevy of contenders announcing bids for the Safeway chain of food superstores. There is every reason to believe this theme will be explored in many other sectors throughout the coming year.

Alastair Mundy
Investec Investment
Management Limited
18 February 2003

Portfolio of investments

	Valuation of holding as at 31 December 2002 £'000	Percentage of Portfolio %	FTSE All-Share Index 31 December 2002 %
RESOURCES			
Mining		2.19	3.83
Rio Tinto	7,351		
Oil & Gas		9.76	15.32
BP	18,507		
Shell Transport & Trading	12,105		
Tullow Oil	950		
Venture Production	1,110		
		<u>11.95</u>	<u>19.15</u>
BASIC INDUSTRIES			
Chemicals		1.68	0.94
Imperial Chemical Industries	1,817		
Scapa	405		
Yule Catto	3,407		
Construction & Building Materials		3.54	0.53
Aggregate Industries	1,867		
Bellway	4,520		
Pilkington	1,785		
RMC	3,663		
		<u>5.22</u>	<u>1.47</u>
GENERAL INDUSTRIES			
Aerospace & Defence		0.88	0.99
BAE Systems	1,139		
Rolls-Royce	1,819		
Electronic & Electrical Equipment		–	0.20
Engineering & Machinery		0.94	0.16
Fenner	2,070		
Senior	1,076		
		<u>1.82</u>	<u>1.35</u>
CYCLICAL CONSUMER GOODS			
Automobiles & Parts		1.01	0.16
GKN	3,336		
Trotrak	62		
		<u>1.01</u>	<u>0.16</u>
NON CYCLICAL CONSUMER GOODS			
Beverages		2.16	3.63
Allied Domecq	3,756		
Diageo	3,477		
Food Producers & Processors		2.68	2.91
Northern Foods	4,447		
Tate & Lyle	4,533		
Health		1.07	0.91
SSL International	3,584		
Personal Care & Household Products		–	0.89
Pharmaceuticals		6.82	11.89
AstraZeneca	4,007		
GlaxoSmithKline	18,813		
Tobacco		4.30	2.31
Gallaher	8,397		
Imperial Tobacco	5,992		
		<u>17.03</u>	<u>22.54</u>

Portfolio of investments continued

	Valuation of holding as at 31 December 2002 £'000	Percentage of Portfolio %	FTSE All-Share Index 31 December 2002 %
CYCLICAL SERVICES			
Distributors		1.05	—
C D Bramall	1,315		
Vardy (Reg)	2,217		
General Retailers		5.12	3.05
Boots	4,374		
Dixons	3,137		
HMV	1,747		
Marks & Spencer	3,392		
Smith (WH)	4,501		
Leisure, Entertainment & Hotels		4.20	1.23
De Vere	2,246		
Hilton	5,226		
Parkdean Holidays	2,080		
Six Continents	4,505		
Media & Photography		3.67	3.64
British Sky Broadcasting	3,606		
EMI	5,219		
Granada	1,409		
Trinity Mirror	2,070		
Support Services		0.63	1.94
BTG	440		
RAC	1,654		
Transport		—	0.94
		<u>14.67</u>	<u>10.80</u>
NON-CYCLICAL SERVICES			
Food & Drug Retailers		1.02	2.46
Safeway	3,416		
Telecommunication Services		3.32	10.34
BT	11,099		
		<u>4.34</u>	<u>12.80</u>
UTILITIES			
Electricity		5.90	2.82
British Energy	135		
National Grid	9,839		
Scottish Power	9,790		
Gas Distribution		—	0.76
Water		4.24	0.62
AWG	1,771		
Kelda	2,785		
Pennon	1,981		
Severn	1,728		
United Utilities	5,917		
		<u>10.14</u>	<u>4.20</u>

Portfolio of investments continued

	Valuation of holding as at 31 December 2002 £'000	Percentage of Portfolio %	FTSE All- Share Index 31 December 2002 %
FINANCIALS			
Banks		17.21	21.88
Abbey National	3,605		
Alliance & Leicester	6,410		
Barclays	10,664		
HBOs	845		
HSBC	18,152		
Lloyds TSB	12,441		
Royal Bank of Scotland	651		
Standard Chartered	4,840		
Insurance		0.18	0.18
Highway Insurance	618		
Life Assurance		4.95	3.21
Aviva	6,525		
Britannic	1,475		
Friends Provident	3,891		
Prudential	4,666		
Investment Companies		0.99	0.36
Fleming Mercantile	2,588		
Framlington Innovations	725		
Real Estate		0.54	0.97
Slough Estates	1,809		
Speciality & Other Finance		-	0.75
		<u>23.87</u>	<u>27.35</u>
INFORMATION TECHNOLOGY			
Information Technology Hardware		0.67	-
Logica	2,258		
Software & Computer Services		-	0.18
		<u>0.67</u>	<u>0.18</u>
COLLECTIVE INVESTMENT SCHEMES			
Investec UK Smaller Companies Fund	7,185	2.15	-
TOTAL EQUITIES†	<u>310,942</u>	<u>92.87</u>	<u>100.00</u>
UK FIXED INTEREST			
Abbey National 11.5% 2017	1,562		
BAA 11.75% 2016	1,612		
Innogy 8.375% 2006	3,308		
Lloyds TSB 8.5% 2006	4,285		
MEPC 12% 2006	1,903		
Royal Bank of Scotland 9.25% Perpetual	2,377		
UK Treasury 5.75% 2009	2,187		
UK Treasury 8.5% 2005	4,127		
UK Treasury 6.25% 2010	2,508		
TOTAL BONDS	<u>23,869</u>	<u>7.13</u>	<u>-</u>
TOTAL VALUATION OF PORTFOLIO	<u>334,811</u>	<u>100.00</u>	<u>100.00</u>

† Includes Convertibles

Report of the directors

The directors present their report and accounts for the year ended 31 December 2002.

GROUP ACTIVITIES

The principal activity of the Company, which remained unchanged throughout the year, 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 in respect of the year ended 31 December 2001 and its affairs are directed so as to enable it to continue to attain such approval. This approval is subject to there being no subsequent enquiry under Corporation Tax Self Assessment. 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.

The Company has one active wholly owned subsidiary company, whose principal activity is investment dealing, and one dormant subsidiary.

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

A review of the business is given in the Chairman's statement and the Manager's report.

ORDINARY DIVIDENDS

The results of the Group are shown on page 22. An interim dividend of 8.22p per ordinary share was paid on 30 September 2002 (2001: 7.98p) and the directors are recommending a final dividend of 17.37p per ordinary share (2001: 16.86p), a total for the year of 25.59p (2001: 24.84p). Subject to shareholders' approval, the final dividend will be paid on 31 March 2003 to shareholders on the register on 14 March 2003. After deducting the ordinary dividend there is a revenue deficit of £143,000 to be transferred from consolidated revenue reserves.

PERSONAL EQUITY PLANS/ISAs

The Company has conducted its investment policy so as to remain a qualifying investment trust under the ISA and Personal Equity Plan regulations. It is the intention of the Board to continue to satisfy these regulations.

SHARE CAPITAL

On 22 April 2002 8,385 new ordinary shares of 25p each were allotted to monthly investors in the Savings Scheme at a price of 671p per share.

DIRECTORS

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

	31 December 2002	1 January 2002
G J Allen	1,174	1,125
J L Hudson	13,848	11,375
R W Jewson	921	371
J Reeve	19,562	16,798
R Scott Brown	16,465	15,118
F L J Walton	6,724	6,724

All the above interests are beneficial. None of the directors had at any date any interest in either of the Company's debenture stocks.

On 16 January 2003 and 14 February 2003 Mr J Reeve acquired a further 204 ordinary shares and 230 ordinary shares respectively in the Company through his regular monthly saving in the Temple Bar Investment Trust ISA. On 22 January 2003 Mr R W Jewson acquired a further 52 ordinary shares and Mr R Scott Brown a further 123 ordinary shares in the Company through their regular monthly saving in the Temple Bar Investment Trust Savings Scheme. No other changes in the interests shown above occurred between 31 December 2002 and 18 February 2003.

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

The directors retiring by rotation are Mr J Reeve and Mr R Scott Brown. Mr Scott Brown is retiring from the Board with effect from the conclusion of the annual general meeting and accordingly will not be standing for re-election. Mr Reeve, being eligible, the Board recommends his re-election.

There were no contracts subsisting during or at the end of the year in which a director of the Company is or was interested and which are or were significant in relation to the Company's business. No director has a service contract with the Company.

PAYMENT OF SUPPLIERS

The Company's policy is to obtain the best possible terms of payment from suppliers for all forms of business. All terms agreed with suppliers have been complied with during the year. There were no trade creditors at the year end.

Report of the directors continued

SUBSTANTIAL SHAREHOLDERS

As at 18 February 2003 the following company had indicated an interest in 3% or more of the issued ordinary shares of the Company:

	%
Legal & General Group plc	3.10

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

MANAGEMENT CONTRACT

The Company has a management agreement with Investec Investment Management Limited ("IIM") for the provision of investment management, secretarial, accounting and administrative services to the Company and its subsidiaries. The agreement is subject to one year's notice of termination by either party.

IIM receives an investment management fee of 0.35% per annum, payable quarterly, based on the value of the investments (including cash) of the Company. Investments in funds managed by the Investec Group are wholly excluded from this charge. One half of the investment management fee payable to IIM is charged by the Company to capital reserves and the remaining half to the revenue account on the basis of the expected long term split of returns.

The investment management fee charged for the year ended 31 December 2002 amounted to £1,312,260 (2001: £1,479,635) net of value added tax.

DONATIONS

A donation of £1,000 was made to Barnado's during the year (2001: charitable donations £1,000). No political donations were made in 2002 (2001: nil).

AUDITORS

On 1 January 2003, PricewaterhouseCoopers transferred the majority of their business to PricewaterhouseCoopers LLP. As a result, PricewaterhouseCoopers resigned as auditors and PricewaterhouseCoopers LLP were appointed in their place.

A resolution to re-appoint PricewaterhouseCoopers LLP as auditors to the Company will be proposed at the Annual General Meeting on 31 March 2003.

DIRECTORS' AUTHORITY TO PURCHASE THE COMPANY'S OWN SHARES

The directors consider it desirable to give the Company the opportunity to buy back shares in circumstances where the shares may be acquired for a price which is below the net asset value per share of the Company. The purchase of ordinary shares is intended to reduce the discount at which ordinary shares trade in the market through the Company becoming a new source of demand for ordinary shares. The rules of the UK Listing Authority provide that the maximum price which can be paid by the Company is 5% above the average of the market value of the ordinary shares for the five business days before the purchase is made.

The Company is not intending to make such purchases at present and will only exercise the power after careful consideration and in circumstances where, in the light of prevailing market conditions, it is satisfied that it is in the interests of the Company to do so. The appropriate resolution is set out in the notice of meeting on page 38.



By order of the Board of Directors
M K Slade
For Investec Investment Management Limited
Secretary
18 February 2003



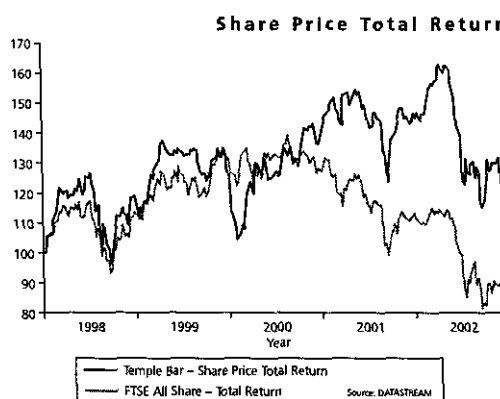
Report on directors' remuneration

The Company does not have any executive directors and, as permitted under the Listing Rules, has not, therefore, established a remuneration committee. Remuneration of non-executive directors is viewed as a decision of the Board, subject to any shareholder approvals which may be necessary. In effect therefore, the Board as a whole fulfils the function of a remuneration committee. The Company's Articles of Association state that the Board shall determine the rate at which directors shall be paid, provided that the aggregate of all such fees shall not exceed £150,000 per annum. This does not include any sums paid to directors outside of remuneration, e.g. expenses payments. The limit on the aggregate amount of directors' fees paid is subject to the approval of shareholders by an ordinary resolution.

The level of directors' fees is determined with reference to a review of the remuneration paid to the directors of a range of other investment trusts, comparable in terms of both size and investment characteristics. The Manager of the Company provides such analysis to the Board as part of the management and secretarial services provided to the Company. No other external advice is taken in considering such fees. It is expected that the level of directors' fees will continue to be assessed on this basis in forthcoming years.

The directors consider that the most appropriate measure of the Company's performance is its share price total return compared to the total return on the

FTSE All-Share Index. A graph illustrating this relative performance over a five year period is shown below.



The fee level for directors is shown below. There is no performance related fee. None of the directors has a service contract with the Company.

Director	2002	2001
	£	£
Ronald Scott Brown	17,825	17,475
Gary J Allen	12,500	9,188
John L Hudson	12,500	12,250
Richard W Jewson	12,500	7,501
John Reeve	12,500	12,250
Field L J Walton	12,500	12,250

Statement of directors' responsibilities in respect of the accounts

The directors are required by UK company law to prepare accounts for each financial year that give a true and fair view of the state of affairs of the Company and Group as at the end of the financial year and of the total return of the Group for that year.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the accounts for the year ended 31 December 2002. The directors also confirm that applicable accounting standards have been followed and that the accounts have been prepared on a going concern basis.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and the Group to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets

of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements are published on the www.investecfunds.com website, which is a website maintained by the Company's Investment Manager, Investec Investment Management Limited (Investec). The maintenance and integrity of the website maintained by Investec or any of its subsidiaries is, so far as it relates to the Company, the responsibility of Investec. The work carried out by the auditors does not involve consideration of the maintenance and integrity of this website and accordingly, the auditors accept no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

Corporate governance

APPLICATION OF COMBINED CODE PRINCIPLES

The Board attaches great importance to ensuring that the Company operates to high ethical and compliance standards. In addition, the Board seeks to observe the principles set out by the Report of the Committee on Corporate Governance insofar as these are consistent with the Company's status and objectives as an investment trust.

The Company is headed by a Board comprised entirely of independent non-executive directors. There are no executive directors to monitor and accordingly large parts of the Combined Code on matters such as ensuring a clear division of responsibilities at the head of the Company, a balance of executive and non-executive directors and issues relating to remuneration of executive directors do not have any specific relevance to the Company.

COMPLIANCE WITH THE DETAILED PROVISIONS OF THE COMBINED CODE Directors

Each of the directors is independent of any association with the management company which might be perceived to interfere with the exercise of independent judgement.

There is a formal schedule of matters to be specifically approved by the Board and individual directors may seek independent advice at the expense of the Company within certain limits.

The Board has delegated the investment management, within clearly defined parameters and dealing limits, and the administration of the business to Investec Investment Management Limited ("IIM"). The Board makes all strategic decisions, reviews the performance of the Company at Board meetings and sets the objectives for the Managers.

The Company Secretary is responsible to the Board, inter alia, for ensuring that Board procedures are followed and for compliance with applicable rules and regulations including the Combined Code.

Appointment or removal of the nominated representative of the Corporate Company Secretary ("the Company Secretary") is a matter for the Board as a whole. All directors have access to the advice and service of the Company Secretary.

Mr G J Allen is Chairman of the audit committee and is the senior independent director.

The content and presentation of Board papers circulated before each meeting contain sufficient information on the financial condition of the Company. Key representatives of IIM attend each Board meeting enabling directors to probe on matters of concern or seek clarification on certain issues.

Given the nature of the Board, comprising entirely non-executive directors, there is no nomination committee, as recommended in the Code, but any appointment will be a decision of the Board as a whole. There is a formal review procedure governing the appointment of new directors. Upon appointment to the Board each director receives relevant background information on the Company together with a summary of the duties and responsibilities of directors. There is, however, an assumption that any candidate considered suitable for appointment to the Board is already sufficiently conversant with listed company requirements and corporate governance procedures. If not, additional training and guidance will be provided by the Company Secretary.

Directors are subject to election by shareholders at the first AGM following their appointment and, thereafter, are subject to retirement by rotation at intervals of no more than three years. In addition, the appointment of each director is reviewed by other members of the Board every three years within the six month period before they are due to stand for re-election in general meetings. Directors are not, therefore, subject to automatic re-appointment.

Non-executive directors are not appointed for specified terms. Because of the nature of an investment trust the Board believes that the contribution and independence of a director is not diminished by long service and, conversely, that a more detailed knowledge of the Company and its business has a beneficial impact.

Relations with Shareholders

The Board welcomes investors to attend the AGM and encourages discussion on issues of concern or areas of uncertainty. Questions from shareholders are welcomed. In addition, special arrangements

Corporate governance continued

have been established to allow Temple Bar Savings Scheme investors to participate fully at annual general meetings.

At general meetings the Chairman will announce the level of proxies lodged on each resolution and the balance for and against, after it has been dealt with on a show of hands. A separate resolution will be proposed at the AGM in respect of each substantially separate issue. There is also a separate resolution proposed in respect of the report and accounts.

In order to facilitate detailed discussion of key issues, the notice of AGM is circulated to shareholders at least 20 working days before the meeting.

Accountability, Internal Controls and Audit

The Board pays careful attention to ensuring that all documents released by the Company, including the Annual Report, present a fair and accurate assessment of the Company's position and prospects.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future including recourse to a £7.5million overdraft facility with HSBC Bank. Accordingly the directors continue to adopt the going concern basis in preparing the accounts.

The directors are responsible for the Company's system of internal control and for reviewing its effectiveness. In order to facilitate the control process the Board has requested the Managers to confirm annually that they have conducted the Company's affairs in compliance with the legal and regulatory obligations which apply to the Company and to report on the systems and procedures within Investec which are applicable to the management of Temple Bar's affairs. The Board meets on seven scheduled occasions in each year and at each meeting receives sufficient financial and statistical information to enable it to monitor adequately the investment performance and status of the business.

The Board has also established a series of investment parameters, which are reviewed annually, designed to limit the risk inherent in managing a portfolio of

investments. The safeguarding of assets is entrusted to an independent reputable custodian with whom the holdings are regularly reconciled.

The effectiveness of the overall system of internal control is reviewed on an annual basis by the Board. Such a system can provide only reasonable and not absolute assurance against material misstatement or loss. The Board believes that there is a robust framework of non-financial internal controls in place to meet the requirements of the Code.

The Board receives reports from its advisers on internal control matters and does not believe that there is scope or necessity for an internal audit function. This matter is subject to periodic review. Based on the foregoing the Company has a continuing process for identifying, evaluating and managing the risks it faces. This process has been in place for the reporting period and to the date of this report and is regularly reviewed by the Board in accordance with the Turnbull Committee's guidelines.

The audit committee of the Company currently comprises the entire Board of six non-executive directors with all matters being referred to the full Board for discussion and approval. Members of the audit committee are named in the report and accounts. The auditors are invited to attend the audit committee meeting at which the annual accounts are considered.

Socially Responsible Investment

The Board believes that it is its primary duty to act in the best financial interests of the Company and its shareholders. While the Board takes account of the ethical stance of investee companies on matters such as the environment or society as a whole, the ultimate objective is to deliver superior investment returns for shareholders. Accordingly, while the Board seeks to favour companies which pursue best practice in these areas this must not be to the detriment of the return on the investment portfolio. The managers have the right to vote on behalf of the Company if they believe it to be appropriate, but any vote against the recommendation of an incumbent Board requires the consent of the Trust's own board.

Independent auditors' report to the members of Temple Bar Investment Trust PLC

We have audited the financial statements which comprise the statement of total return, the consolidated and company balance sheets, the cash flow statement, and the related notes. We have also audited the disclosures required by Part 3 of Schedule 7A to the Companies Act 1985 contained in the report on the directors' remuneration ("the auditable part").

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report, the report on the directors' remuneration and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements and the auditable part of the report on the directors' remuneration in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the auditable part of the report on the directors' remuneration have been properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the report of the directors is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the Chairman's statement, the Manager's report, the report of the directors, the unaudited part of the report on the directors' remuneration, and the corporate governance statement.

We review whether the corporate governance statement reflects the Company's compliance with the seven provisions of the Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or to form an opinion on the effectiveness of the Company's corporate governance procedures or its risk and control procedures.

Basis of audit opinion

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

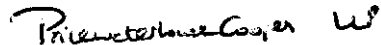
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and the auditable part of the directors' remuneration report are free from material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

Independent auditors' report continued

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of affairs of the Company and the group at 31 December 2002 and of the total return and cash flows of the group for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- those parts of the report on the directors' remuneration required by Part 3 of Schedule 7A to the Companies Act 1985 have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Southwark Towers

32 London Bridge Street

London SE1 9SY

18 February 2003

Consolidated statement of total return

(incorporating the revenue account) of the group for the year ended 31 December 2002

	Notes	2002			2001		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Losses on investments	11 b)	-	(75,090)	(75,090)	-	(30,341)	(30,341)
Income	2	18,142	-	18,142	18,140	-	18,140
Investment management fee	3	(771)	(771)	(1,542)	(869)	(869)	(1,738)
Other expenses	4	(417)	-	(417)	(378)	-	(378)
NET RETURN BEFORE FINANCE COSTS AND TAXATION							
Interest payable	6	(2,280)	(2,279)	(4,559)	(2,279)	(2,280)	(4,559)
RETURN ON ORDINARY ACTIVITIES BEFORE TAXATION							
Taxation	7	-	-	-	(416)	416	-
RETURN ON ORDINARY ACTIVITIES AFTER TAXATION							
Ordinary dividends	9	(14,817)	-	(14,817)	(14,373)	-	(14,373)
TRANSFER FROM RESERVES							
		(143)	(78,140)	(78,283)	(175)	(33,074)	(33,249)
RETURN PER ORDINARY SHARE							
DIVIDENDS PER ORDINARY SHARE	10	25.34p	(134.96)p	(109.62)p	24.56p	(57.21)p	(32.65)p
		25.59p			24.84p		

The revenue column of this statement is the profit and loss account of the Group.

All principal activities of the Group are continuing operations as defined by Financial Reporting Standard 3. No operations were acquired or discontinued in the period.

Consolidated balance sheet

		31 December 2002		31 December 2001	
	Notes	£'000	£'000	£'000	£'000
FIXED ASSETS					
Investments	11		334,811		407,556
CURRENT ASSETS					
Debtors	12	3,035		3,174	
Cash at bank	20	14,923		19,532	
			17,958		22,706
Creditors : amounts falling due within one year	13	11,703		10,970	
			6,255		11,736
NET CURRENT ASSETS					
TOTAL ASSETS LESS CURRENT LIABILITIES			341,066		419,292
Creditors : amounts falling due after more than one year	14		63,000		63,000
NET ASSETS			278,066		356,292
CAPITAL AND RESERVES					
Called up share capital	16		14,475		14,473
Share premium account	17		2,147		2,092
Other reserves					
Capital reserve – realised	17		268,919		279,420
Capital reserve – unrealised	17		(18,922)		48,717
Revenue reserves	17		11,447		11,590
TOTAL SHAREHOLDERS' FUNDS			278,066		356,292

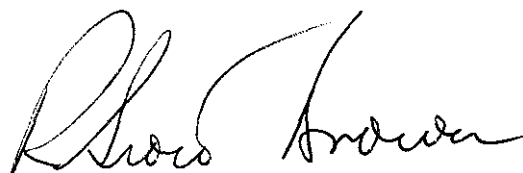
The accounts on pages 22 to 35 were approved by the directors on 18 February 2003 and were signed on their behalf by R Scott Brown.



Company balance sheet

	Notes	31 December 2002		31 December 2001	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Investments	11	334,811		407,556	
Subsidiary companies	11 c)	50		50	
			334,861		407,606
CURRENT ASSETS					
Debtors	12	3,041		3,180	
Cash at bank	20	14,923		19,532	
		17,964		22,712	
Creditors : amounts falling due within one year	13	11,703		10,970	
			6,261		11,742
NET CURRENT ASSETS					
			341,122		419,348
Creditors : amounts falling due after more than one year	14		63,846		63,624
			277,276		355,724
NET ASSETS					
CAPITAL AND RESERVES					
Called up share capital	16		14,475		14,473
Share premium account	17		2,147		2,092
Other reserves					
Capital reserve – realised	17		268,919		279,420
Capital reserve – unrealised	17		(18,922)		48,717
Revenue reserves	17		10,657		11,022
			277,276		355,724
TOTAL SHAREHOLDERS' FUNDS					
			277,276		355,724

The accounts on pages 22 to 35 were approved by the directors on 18 February 2003 and were signed on their behalf by R Scott Brown.



Consolidated cash flow statement

	Notes	2002		2001	
		£'000	£'000	£'000	£'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	20		16,388		16,587
RETURN ON INVESTMENTS AND SERVICING OF FINANCE					
Interest paid		(4,559)		(4,559)	
Net cash outflow from return on investments and servicing of finance			(4,559)		(4,559)
TAXATION					
UK tax recovered/(paid)			112		(111)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT					
Purchases of investments		(166,183)		(193,069)	
Sales of investments		164,096		182,088	
Net cash outflow from capital expenditure and financial investment			(2,087)		(10,981)
EQUITY DIVIDENDS PAID			(14,520)		(13,801)
CASH OUTFLOW BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING			(4,666)		(12,865)
MANAGEMENT OF LIQUID RESOURCES					
Short term money market deposits withdrawn	20		7,000		3,430
			2,334		(9,435)
FINANCING					
Gross proceeds from issue of shares			57		624
INCREASE/(DECREASE) IN CASH	20		2,391		(8,811)
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT					
Increase/(decrease) in cash		2,391		(8,811)	
Short term money market deposits withdrawn		(7,000)		(3,430)	
Change in net debt			(4,609)		(12,241)
Net debt at 1 January	20		(43,468)		(31,227)
Net debt at 31 December	20		(48,077)		(43,468)

Statement of accounting policies

GENERAL

The accounts are prepared in accordance with applicable accounting standards and with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies" (SORP). The accounts have been prepared on the historical cost basis of accounting modified to include the revaluation of fixed asset investments.

CONSOLIDATION

All subsidiary companies make up accounts to 31 December and results for the year ended on that date are included in the Group results in full.

INVESTMENTS

Listed investments are stated at market value which is based upon middle market prices at the balance sheet date. Realised surpluses or deficits on the disposal of investments and permanent impairments in the value of investments are taken to capital reserve-realised and unrealised surpluses and deficits on the revaluation of investments are taken to capital reserve-unrealised. Suspended securities are included at directors' valuation.

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 and dividend income is included in revenue when an investment is quoted

ex-dividend. UK dividends are stated net of related tax credits. Dividends received as scrip dividends are taken to the revenue account. The accounting treatment of special dividends is considered on a case by case basis.

The fixed returns on debt securities are recognised on a time apportionment basis so as to reflect their effective yield.

MANAGEMENT CHARGE

In accordance with the expected long term split of returns, one half of the investment management fee for the year is charged to the revenue account and the other half is charged to capital reserves, net of corporation tax relief and inclusive of any related irrecoverable value added tax.

DEFERRED TAXATION

Financial Reporting Standard 19 'Deferred Tax' has been adopted in these financial statements. This has had no impact on the results for the current or preceding year. Provision is made for taxation at current rates on the excess of taxable income over expenses. Where applicable, a provision is made on all timing differences between the recognition of income in the financial statements and its recognition in the Company's annual tax returns.

DEBENTURE INTEREST

Interest payable is treated on an accruals basis. In accordance with the expected long term split of returns, one half of the interest for the year is charged to the revenue account and the other half is charged to capital reserves, net of incremental corporation tax relief.

Notes to the accounts

1 COMPANY REVENUE ACCOUNT

The Company has taken advantage of the exemption from presenting its own revenue account provided by section 230 of the Companies Act 1985.

2 INCOME

	2002 £'000	2001 £'000
Income from investments		
UK dividends	15,407	14,723
Income from UK fixed interest securities	1,519	1,698
Scrip dividends	293	289
	17,219	16,710
Other income		
Bank interest	629	1,383
Underwriting commission	72	–
Dealing profit in subsidiary company	222	47
	923	1,430
Total income	18,142	18,140
Income from investments:		
Listed UK	17,086	16,409
Unlisted UK	133	301
	17,219	16,710

3 INVESTMENT MANAGEMENT FEE

	2002			2001		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	656	656	1,312	740	740	1,480
Irrecoverable VAT thereon	115	115	230	129	129	258
	771	771	1,542	869	869	1,738

Details of the management contract are given in the "Report of the directors" on page 16.

Notes to the accounts continued

4 OTHER EXPENSES

	2002	2001
	£'000	£'000
Auditors' remuneration – audit	18	18
Directors' fees – see note 5 below	86	82
Other expenses	313	278
	<u>417</u>	<u>378</u>

Auditors' remuneration excluding VAT in relation to the audit of the parent company totalled £14,400 (2001: £14,400). The expenses disclosed above include VAT where applicable. There were no payments to the auditors in respect of non-audit services (2001: Nil).

5 DIRECTORS' REMUNERATION

	2002	2001
	£'000	£'000
Fees paid to the directors	72	70
Fees paid to third parties	14	12
	<u>86</u>	<u>82</u>

Five directors (2001: three), excluding the Chairman, each received emoluments of £12,500 (2001: £12,250). The Chairman was the highest paid director and received emoluments of £17,825 (2001: £17,475). In addition in 2001, a retiring director received emoluments of £3,062, and two directors appointed during the year received £7,501 and £9,188 respectively. No director received any pension contributions (2001: Nil). The fees disclosed above include National Insurance Contributions and VAT where applicable.

6 INTEREST PAYABLE

	2002			2001		
	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000
On 9½% debenture stock 2017	1,235	1,234	2,469	1,234	1,235	2,469
On 5.5% debenture stock 2021	1,045	1,045	2,090	1,045	1,045	2,090
	<u>2,280</u>	<u>2,279</u>	<u>4,559</u>	<u>2,279</u>	<u>2,280</u>	<u>4,559</u>

Notes to the accounts continued

7 TAXATION

	2002			2001		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Tax relief on expenses charged to capital	-	-	-	416	(416)	-
	-	-	-	416	(416)	-

Tax relief has been calculated by reference to a corporation tax rate of 30%.

Factors affecting the tax charge for the year

	2002			2001		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Return on ordinary activities before taxation	14,674	(78,140)	(63,466)	14,614	(33,490)	(18,876)
Tax charge/(credit) calculated on return on ordinary activities before taxation at the applicable rate of corporation tax of 30% (2001: 30%)	4,402	(23,442)	(19,040)	4,384	(10,047)	(5,663)
Effects of:						
Non taxable losses on investments ¹	-	22,527	22,527	-	9,100	9,100
Non allowable expenses	-	-	-	2	-	2
Income not chargeable to tax:						
UK dividends ¹	(4,621)	-	(4,621)	(4,414)	-	(4,414)
Scrip dividends ¹	(88)	-	(88)	(87)	-	(87)
Movement in excess management expenses ²	307	915	1,222	531	531	1,062
Current tax charge for the year	-	-	-	416	(416)	-

¹ Investment Trusts are not subject to corporation tax on these items.

² The Company has not recognised a deferred tax asset of £4,657,000 (2001: £3,435,000) arising as a result of having unutilised management expenses, since under current tax legislation it is unlikely that the Company will obtain any benefit for the asset.

8 REVENUE ATTRIBUTABLE TO ORDINARY SHAREHOLDERS

The revenue attributable to ordinary shareholders includes £14,452,000 (2001: £14,151,000) which has been dealt with in the accounts of the Company.

9 DIVIDENDS ON ORDINARY SHARES

	2002 £'000	2001 £'000
Interim 8.22p per share paid 30 September 2002 (2001: 7.98p)	4,759	4,612
Proposed final of 17.37p per share to be paid 31 March 2003 (2001: 16.86p)	10,058	9,761
	<u>14,817</u>	<u>14,373</u>

Notes to the accounts continued

10 GROUP RETURN PER ORDINARY SHARE

2002			2001		
Revenue	Capital	Total	Revenue	Capital	Total
25.34p	(134.96)p	(109.62)p	24.56p	(57.21)p	(32.65)p

Revenue return per ordinary share is based on the revenue return on ordinary activities after taxation of £14,674,000 (2001: £14,198,000) and on a weighted average number of ordinary shares in issue during the year of 57,898,980 (2001: 57,806,776).

Capital return per ordinary share is based on the capital loss on ordinary activities after taxation of £78,140,000 (2001: capital loss of £33,074,000) and on 57,898,980 (2001: 57,806,776) ordinary shares, being the weighted average number of ordinary shares in issue during the year.

11 INVESTMENTS

	2002 £'000	2001 £'000
Investments listed on a recognised UK investment exchange	327,626	399,269
Open Ended Investment Companies	7,185	8,287
	<u>334,811</u>	<u>407,556</u>
a) Movements in the year		
Opening valuation	407,556	424,437
Purchases at cost	167,079	193,223
Sales – proceeds	(164,455)	(179,509)
– realised (losses)/gains on sales	(7,730)	35,140
Decrease in unrealised appreciation	(67,639)	(65,735)
Closing valuation	<u>334,811</u>	<u>407,556</u>
Closing book cost	353,733	358,839
Closing unrealised (depreciation)/appreciation	(18,922)	48,717
	<u>334,811</u>	<u>407,556</u>
b) Losses on investments		
(Losses)/gains realised on investments sold in the year	(7,730)	35,140
Decrease in unrealised appreciation	(67,639)	(65,735)
Effective yield adjustment	279	254
Losses on investments	<u>(75,090)</u>	<u>(30,341)</u>
c) Subsidiary companies		

The cost of shares in subsidiary companies is £50,100 (2001: £50,100).

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

	Holding	Cost £
Temple Bar Properties Limited	100 ordinary shares of £1 each	100
Temple Bar Securities Limited	50,000 ordinary shares of £1 each	50,000
		<u>50,100</u>

Notes to the accounts continued

12 DEBTORS

	Group		Company	
	2002 £'000	2001 £'000	2002 £'000	2001 £'000
Amounts falling due within one year:				
Sales for future settlement	359	–	359	–
Due from subsidiary companies	–	–	6	6
Other debtors	324	523	324	523
Accrued income	2,352	2,651	2,352	2,651
	<u>3,035</u>	<u>3,174</u>	<u>3,041</u>	<u>3,180</u>

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2002 £'000	2001 £'000	2002 £'000	2001 £'000
Purchases for future settlement	603	–	603	–
Accruals and deferred income	380	479	380	479
Other creditors	–	68	–	68
Interest accrued on debenture stock	662	662	662	662
Proposed final dividend	10,058	9,761	10,058	9,761
	<u>11,703</u>	<u>10,970</u>	<u>11,703</u>	<u>10,970</u>

14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2002 £'000	2001 £'000	2002 £'000	2001 £'000
Amount owed to subsidiary companies	–	–	846	624
9½% debenture stock 2017	25,000	25,000	25,000	25,000
5.5% debenture stock 2021	38,000	38,000	38,000	38,000
	<u>63,000</u>	<u>63,000</u>	<u>63,846</u>	<u>63,624</u>

a) **9½% debenture stock 2017**

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

b) **5.5% debenture stock 2021**

The stock is secured by a floating charge over the assets of the Company. The stock is repayable at par on 8 March 2021.

15 CONTINGENT LIABILITIES

As at 31 December 2002 there were no contingent liabilities for the Company and the Group (2001: Nil).

Notes to the accounts continued

16 SHARE CAPITAL

	Number of shares		£	£
	2002	2001	2002	2001
Authorised				
Ordinary shares of 25p each	84,195,184	84,195,184	21,048,796	21,048,796
Issued, allotted and fully paid				
Ordinary shares of 25p each	57,901,599	57,893,214	14,475,400	14,473,304

During the year 8,385 shares were issued for a total consideration of £57,000 (2001: 100,000 shares for consideration of £624,000).

17 RESERVES

	Share premium account £'000	Capital reserve – realised £'000	Capital reserve – unrealised £'000	Revenue reserve £'000
Company				
Balance at 1 January 2002	2,092	279,420	48,717	11,022
Issue of new shares	55	–	–	–
Net gain on realisation of investments	–	326	–	–
Realisation of unrealised depreciation brought forward	–	(8,056)	8,056	–
Decrease in unrealised appreciation for the year	–	–	(75,695)	–
Finance costs allocated to capital	–	(2,279)	–	–
Management charge allocated to capital	–	(771)	–	–
Effective yield adjustment	–	279	–	–
Retained net deficit for the year	–	–	–	(365)
Balance at 31 December 2002	<u>2,147</u>	<u>268,919</u>	<u>(18,922)</u>	<u>10,657</u>
Group				
Balance at 1 January 2002	2,092	279,420	48,717	11,590
Issue of new shares	55	–	–	–
Net gain on realisation of investments	–	326	–	–
Realisation of unrealised depreciation brought forward	–	(8,056)	8,056	–
Decrease in unrealised appreciation for the year	–	–	(75,695)	–
Finance costs allocated to capital	–	(2,279)	–	–
Management charge allocated to capital	–	(771)	–	–
Effective yield adjustment	–	279	–	–
Retained net deficit for the year	–	–	–	(143)
Balance at 31 December 2002	<u>2,147</u>	<u>268,919</u>	<u>(18,922)</u>	<u>11,447</u>

Notes to the accounts continued

18 NET ASSET VALUE PER ORDINARY SHARE

The net asset value per ordinary share and the net asset value attributable to each ordinary share at the year end calculated in accordance with the Articles of Association were as follows:

	Net asset value per ordinary share attributable	Net asset values attributable £'000
Ordinary shares of 25p each	480.24p	278,066

The movements during the year of the assets attributable to the ordinary shares were as follows:

	Ordinary shares £'000
Net assets at 1 January 2002	356,292
Total recognised losses for the year	(63,466)
Issue of new shares	57
Dividends appropriated in the year	(14,817)
Net assets at 31 December 2002	278,066

Net asset value per ordinary share of 480.24p (2001: 615.43p) is based on net assets and on 57,901,599 (2001: 57,893,214) ordinary shares, being the number of ordinary shares in issue at the year end.

19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £'000	2001 £'000
Opening shareholders' funds	356,292	388,917
Issue of new shares	57	624
Retained net deficit for the year	(143)	(175)
Total recognised capital losses for the year	(78,140)	(33,074)
Closing shareholders' funds	278,066	356,292

Notes to the accounts continued

20 CONSOLIDATED CASH FLOW STATEMENT

a) Reconciliation of operating revenue to net cash inflow from operating activities

	2002	2001
	£'000	£'000
Return on ordinary activities before finance costs and taxation	16,954	16,893
Scrip dividends	(293)	(289)
Decrease in accrued income	299	703
Decrease in debtors	87	70
Decrease in creditors	(167)	(63)
Income tax deducted at source	-	(112)
Management fees charged to capital	(771)	(869)
Effective yield adjustment	279	254
	<hr/>	<hr/>
Net cash inflow from operating activities	16,388	16,587
	<hr/>	<hr/>

b) Analysis of net debt

	Balance	Cash flow	Balance
	1 January		31 December
	2002		2002
	£'000	£'000	£'000
Cash in hand, at bank	(468)	2,391	1,923
Liquid resources	20,000	(7,000)	13,000
	<hr/>	<hr/>	<hr/>
	19,532	(4,609)	14,923
9% debenture stock 2017	(25,000)	-	(25,000)
5.5% debenture stock 2021	(38,000)	-	(38,000)
	<hr/>	<hr/>	<hr/>
	(43,468)	(4,609)	(48,077)
	<hr/>	<hr/>	<hr/>

21 RELATED PARTY TRANSACTIONS

FRS 8 "Related party disclosures" requires the disclosure of the details of material transactions between the Company and any related parties. Accordingly, the disclosure requirements are set out below:

Directors – The remuneration of the directors is set out in note 5 to the accounts. There were no contracts subsisting during or at the end of the year in which a director of the Company is or was interested and which are or were significant in relation to the Company's business. There were no other material transactions during the year with the directors of the Company.

22 RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company's investing activities undertaken in pursuit of its investment objective as set out on page 1 involve certain inherent risks. The main risk arising from the Company's financial instruments is market price risk which includes interest rate risk. The Board reviews and agrees policies for managing each of these risks as summarised below. These policies have remained substantially unchanged during the current and preceding periods.

Notes to the accounts continued

22 RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

Market price risk

Market risk arises mainly from uncertainty about future prices of financial instruments used in the Company's business. It represents the potential loss the Company might suffer through holding market positions in the face of price movements. The Board meets on seven scheduled occasions in each year and at each meeting it receives sufficient financial and statistical information to enable it to monitor adequately the investment performance and status of the business. In addition, financial information is circulated to the directors on a monthly basis. The Board has also established a series of investment parameters, which are reviewed annually, designed to limit the risk inherent in managing a portfolio of investments. The Company does not hedge risk. The Company's borrowings have the effect of increasing the risk faced by shareholders. This gearing effect is such that, for example, for a 10% movement in the valuation of the Company's investments, the net assets attributable to shareholders would move by approximately 12%.

Interest rate risk

The Company finances its operations through retained profits including realised and unrealised capital profits, and additional financing is obtained through the two debenture stocks in issue, on which interest is paid at a fixed rate.

Liquidity risk

The Company's assets comprise mainly readily realisable securities, which can be sold to meet funding commitments if necessary. Short-term flexibility is achieved through the use of cash balances and short term bank deposits.

Financial assets

The majority of the Company's financial assets are equity shares and other investments which neither pay interest nor have a maturity date with the exception of the Company's fixed interest holdings in corporate and treasury bonds totalling £23,869,000 representing 8.6% of net assets of £278,066,000 (2001: £23,290,000; 6.5%). Of these, the weighted average running yield as at 31 December 2002 was 6.2% (2001: 7.8%) and the weighted average remaining life was six years (2001: five years). The Company's cash balances of £14,923,000 (2001: £19,532,000) earn interest calculated by reference to LIBOR. All of the Company's assets are denominated in Sterling.

Financial liabilities

All of the Company's financial liabilities of £74,703,000 (2001: £73,970,000) are denominated in Sterling, have no interest rate, and are repayable within one year except for the 9% debenture stock and the 5.5% debenture stock which are repayable in 2017 and 2021 respectively, and pay interest at fixed rates. The weighted average period until maturity of the debenture stocks is 17 years (2001: 18 years) and the weighted average interest rate payable is 7.2% (2001: 7.2%) per annum.

Fair values of financial assets and financial liabilities

All of the financial assets and liabilities of the Company are held at fair value except for the debenture stocks whose fair values, based on the market prices for the respective stocks on 31 December 2002, were as follows:

	Book value	Fair market value 31 December 2002	Difference 31 December 2002	Fair market value 31 December 2001	Difference 31 December 2001
	£'000	£'000	£'000	£'000	£'000
9% debenture stock 2017	25,000	33,687	8,687	32,922	7,922
5.5% debenture stock 2021	38,000	35,144	(2,856)	33,774	(4,226)
	<u>63,000</u>	<u>68,831</u>	<u>5,831</u>	<u>66,696</u>	<u>3,696</u>

Useful information for shareholders

ANNUAL GENERAL MEETING

The Annual General Meeting will be held at 2 Gresham Street, London EC2V 7QP (see map), on 31 March 2003 at 11.00 a.m.

FINANCIAL CALENDAR

The financial calendar for 2003 is set out below:

Ordinary shares

Final dividend, 2002 – payable	31 March 2003
– ex-dividend	12 March 2003
– record date	14 March 2003
Interim dividend, 2003	End of September 2003
Final dividend, 2003	End of March 2004

9½% Debenture Stock 2017

Interest payments 30 June and 31 December

5.5% Debenture Stock 2021

Interest payments 8 March and 8 September

PAYMENT OF DIVIDENDS

Cash dividends will be sent by cheque to the first-named shareholder on the Register at his or her registered address together with a tax voucher. At shareholders' request, dividends may instead be paid direct into the shareholder's bank account through the Bankers' Automated Clearing System (BACS). This may be arranged by contacting the Company's Registrar on 0870 601 5366.

PRICE AND PERFORMANCE INFORMATION

The Company's ordinary shares and debenture stocks are listed on the London Stock Exchange. The market price of the ordinary shares is shown daily in the Financial Times and other leading newspapers.

SHARE REGISTER ENQUIRIES

The Company's Registrar, Lloyds TSB Registrars Scotland, maintains the share register. In the event of queries regarding your holding, please contact the Registrar on 0870 601 5366. Changes of name or address must be notified in writing to the Registrar.

CAPITAL GAINS TAX INFORMATION

The market value of the Company's ordinary shares as at 31 March 1982 was 57.5p.

For those shareholders who have purchased shares through the Temple Bar Investment Trust Savings Scheme on a monthly basis, the Inland Revenue has rules for calculating the capital gains tax liability (if any) on the sale of such shares. In addition to the normal statutory basis for calculating the capital gains tax liability an optional basis allows taxpayers to aggregate the cost of the shares purchased each month through the Savings Scheme during the Company's accounting year and treat them as if they were a single investment made in the seventh month of that year, which in the Company's case would be July. In this respect you are advised to keep a separate note of purchases made through the Savings Scheme since other purchases will not be eligible for the optional basis. Guidance notes prepared by the Association of Investment Trust Companies should be read before you make a decision as to whether to opt for the optional basis and these are available free of charge from the Company Secretary at the Registered Office.

Useful information for shareholders continued

STOCK EXCHANGE CODES FOR ORDINARY SHARES AND DEBENTURE STOCKS

Ordinary shares – 0882532

9½% Debenture Stock 2017 – 0882640

5.5% Debenture Stock 2021 – 0530529

TEMPLE BAR INVESTMENT TRUST SAVINGS SCHEME AND ISA

Details of the Temple Bar Savings Scheme and the Individual Savings Account (ISA), are set out on page 40 of this report. Each of these enables individuals to buy shares in the Company in a straightforward and accessible way.

ASSOCIATION OF INVESTMENT TRUST COMPANIES

The Company is a member of the Association of Investment Trust Companies, which produces monthly publications of detailed information on the majority of investment trusts. The Association of Investment Trust Companies can be contacted by telephone on 020 7282 5555.

Notice of meeting

NOTICE IS HEREBY GIVEN that the seventy-seventh Annual General Meeting of Temple Bar Investment Trust PLC will be held at 11.00 a.m. on Monday 31 March 2003 at 2 Gresham Street, London EC2V 7QP for the following purposes:

ORDINARY BUSINESS

1. to approve the group accounts for the year ended 31 December 2002, together with the reports of the directors and auditors thereon,
2. to approve the report on directors' remuneration for the year ended 31 December 2002,
3. to declare a final dividend of 17.37p per ordinary share,
4. to re-elect Mr J Reeve as a director,
5. to consider the following resolution, special notice having been received of the intention to propose the resolution as an ordinary resolution:

THAT

PricewaterhouseCoopers LLP be re-appointed auditors of the Company (having previously been appointed by the board to fill the casual vacancy arising by reason of the resignation of PricewaterhouseCoopers), to hold office until the conclusion of the next general meeting at which accounts are laid before the Company and that their remuneration be determined by the directors.

SPECIAL BUSINESS:

To consider and, if thought fit, pass the following special resolution:

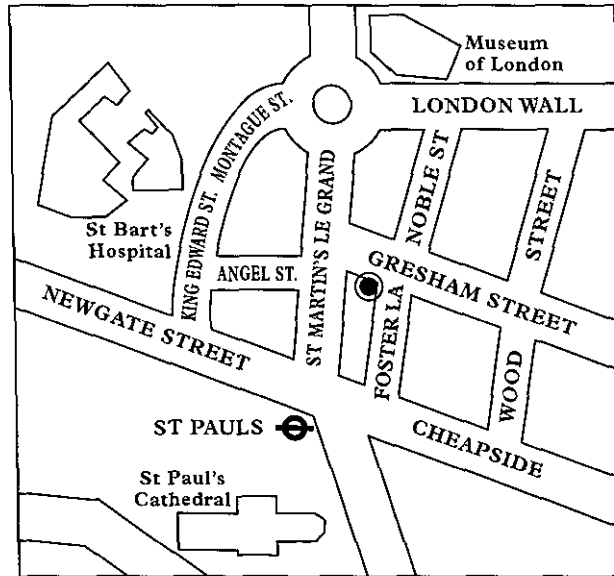
6. That the Company generally be and is hereby authorised for the purpose of section 166 of the Companies Act 1985 to make market purchases (as defined in section 163 of the Act) of ordinary shares of 25p each in the capital of the Company ("ordinary shares") provided that:
 - (i) the maximum number of ordinary shares hereby authorised to be purchased is 5,790,159;
 - (ii) the minimum price which may be paid for such shares is 25p per share;
 - (iii) the maximum price (exclusive of expenses payable by the Company) which may be paid for such shares shall be 5% above the average of the market value of the share quotations taken from the London Stock Exchange Daily Official List for the five business days before the purchase is made;
 - (iv) the authority hereby conferred shall (unless previously renewed or revoked) expire at the end of the Annual General Meeting of the Company in 2004, or, if earlier, the date falling fifteen months from the date of this resolution;
 - (v) the Company may make a contract to purchase its own shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of its own shares in pursuance of any such contract.

Dated this 18th day of February, 2003

By order of the Board of Directors
M K Slade
For Investec Investment
Management Limited
Secretary

2 Gresham Street
London EC2V 7QP

Notice of meeting continued



Shown is a plan of the location of Investec Investment Management Limited, 2 Gresham Street, London EC2V 7QP where the Annual General Meeting will be held on Monday 31 March 2003 at 11.00 a.m.

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 should be sent to Lloyds TSB Registrars, The Causeway, Worthing BN99 6ZR 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. Members who hold ordinary shares in the Company in uncertificated form must have been entered on the Company's register of members by 11.00 a.m. on 29 March 2003 in order to be able to attend and vote at the meeting. Such members may only vote at the meeting in respect of ordinary shares held at the time.
4. 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.
5. None of the directors has a service contract with the Company.
6. Only holders of ordinary shares or their proxies are entitled to attend and vote at the meeting.

Temple Bar Investment Trust Savings Scheme and Individual Savings Account (ISA)

Temple Bar offers two simple and inexpensive ways of investing in your Company. It offers the following facilities:

The Temple Bar Investment Trust Savings Scheme offers:

- monthly savings from as little as £50 a month
- weekly dealing for lump sum investments of less than £5,000 (minimum investment of £250)
- a daily dealing facility for lump sum investments or sales of £5,000 or more
- income reinvestment
- a selling facility for shares held through the Scheme

The Temple Bar Investment Trust ISA offers:

- the ability to invest up to £7,000 tax free in Temple Bar
- low costs – no initial charge and an annual management fee of 0.50% per annum (subject to a minimum of £25)

If you would like to receive information about either of these schemes, call the Investor Services Department on 020 7597 1800 or visit our website www.itstemplebar.com. Alternatively please write to:

Investor Services Department
Investec Investment Management Limited
2 Gresham Street
London EC2V 7QP

Personal Equity Plans are no longer available for new subscribers. The current Temple Bar Investment Trust PEP continues for existing investors and will only be available for PEP transfers.

Past performance will not necessarily be repeated. You are not certain to make a profit; you may lose money and any income is not fixed – it can go up or down. Tax benefits detailed are those currently applicable and will vary from one investor to another and may change in the future. The government's 0.5% stamp duty is payable on all share purchases. Shares will be purchased at Temple Bar's buying price and will be sold at Temple Bar's selling price. Phone calls may be recorded to confirm your instructions.

The above information has been issued by Investec Asset Management Limited, regulated by the FSA, and the investment adviser to Investec Investment Management Limited, investment managers of Temple Bar Investment Trust PLC.



A member of the Association of Investment Trust Companies