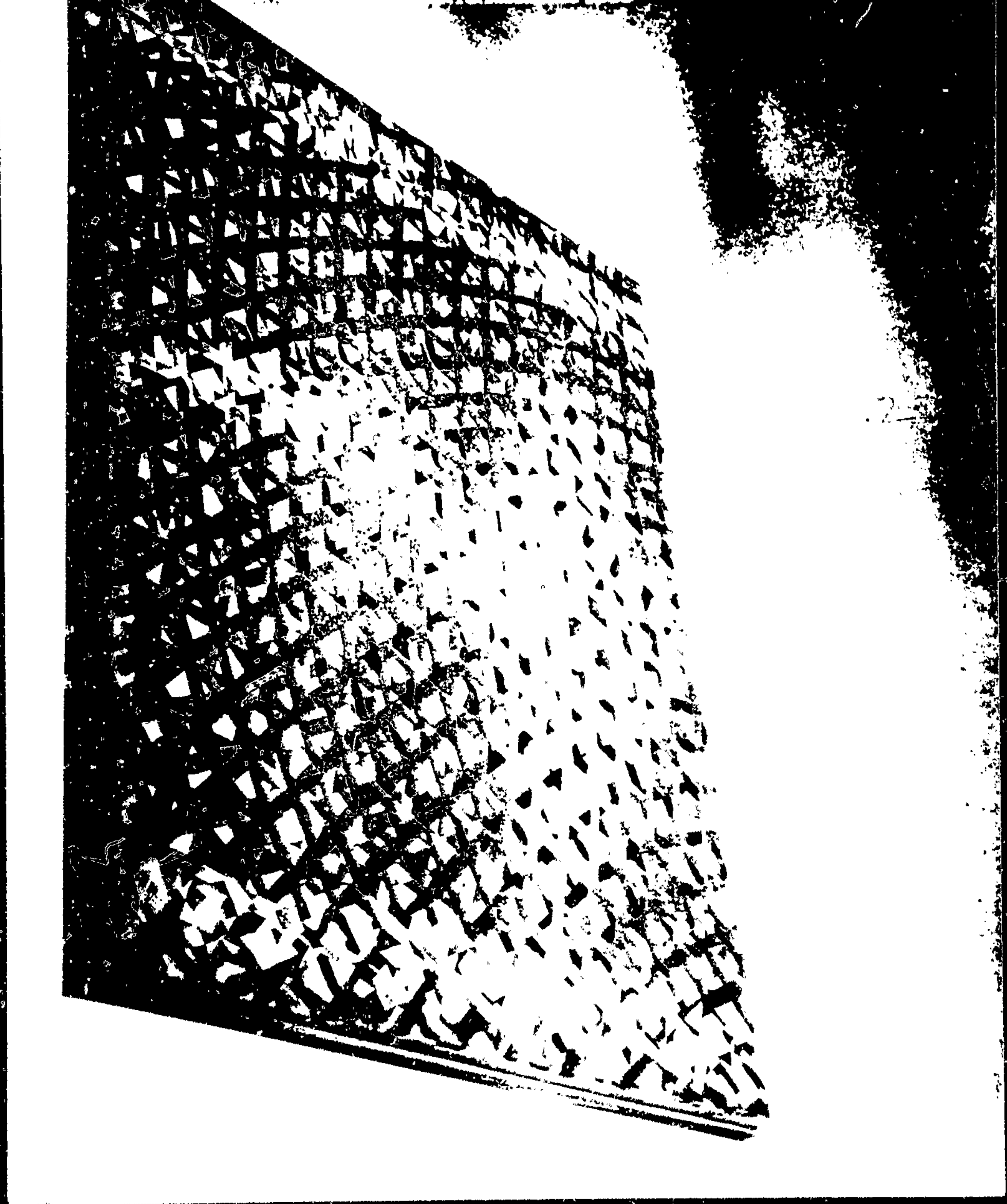
ELECTRA

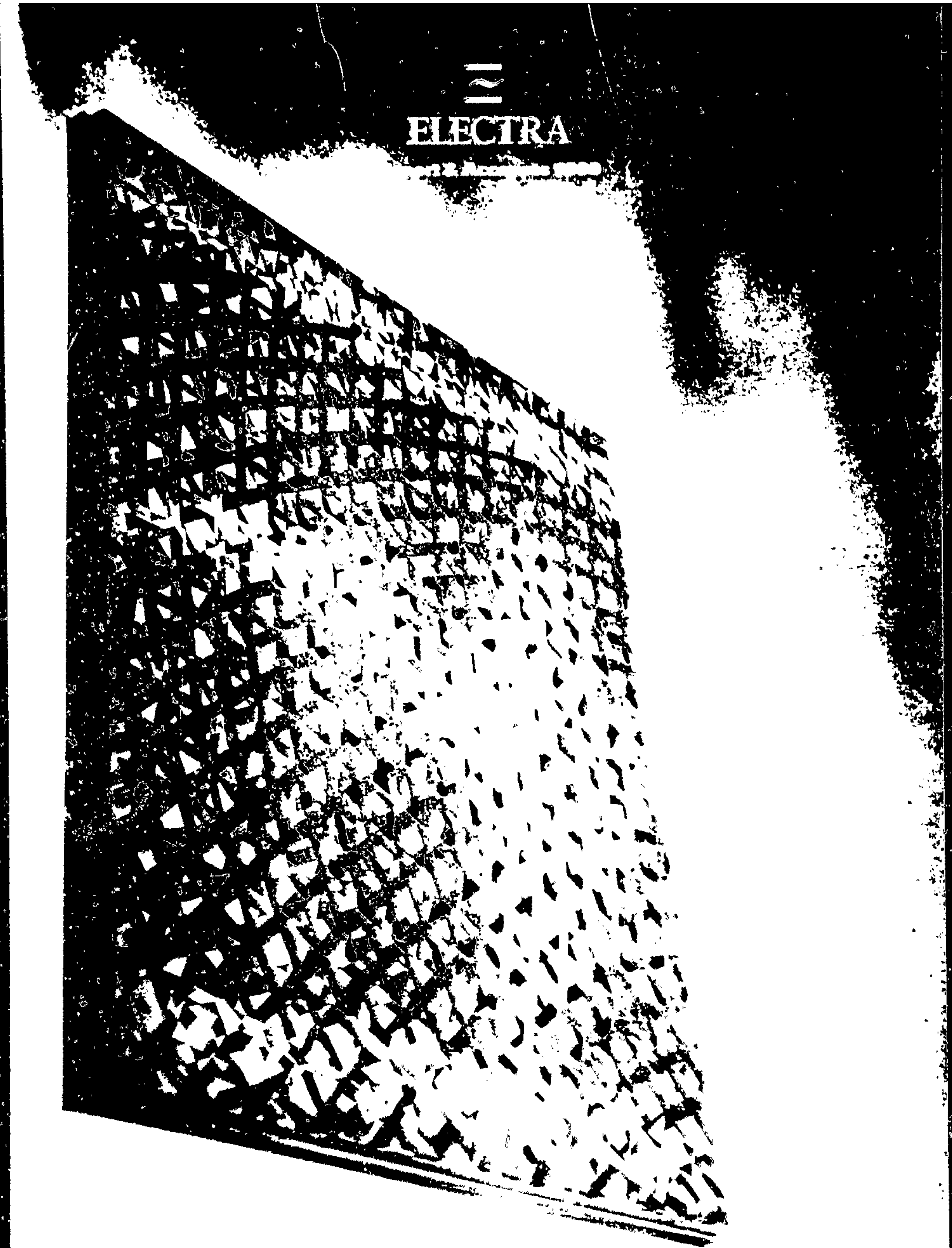


The artist's impression of Electra's logo on the cover was created by Noel Forster whose work is displayed in Electra's offices at 65 Kingsway, London.
Noel Forster is represented by the Anne Berthoud Gallery.

ELECTRA

ELECTRA INVESTMENT TRUST P.L.C.

Report & Accounts for the year ended 30th September 1990


ELECTRA

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ELECTRA

ELECTRA INVESTMENT TRUST P.L.C.

Report & Accounts for the year ended 30th September 1990

CONTENTS

Secretary Philip Dyke
Registered Office
65 Kingsway
London WC2B 6QT

New York Office
437 Madison Avenue
New York
NY 10022
USA

Registrar and Transfer Office
Lloyds Bank Plc
Registrar's Department
Goring-by-Sea, Worthing
West Sussex BN12 6DA

Auditors
Coopers & Lybrand Deloitte
Chartered Accountants
128 Queen Victoria Street
London EC4P 4JX

Bankers
National Westminster Bank PLC
Bank of Montreal

Our objective is to maximise capital appreciation while maintaining a level of dividends to shareholders which at least matches the rate of inflation. We use our substantial capital base to organise, structure and underwrite strategic investments both for our own account and that of other investors, institutional and industrial, generating fee income from this source. We use the financial community for banking syndication and other specialist financial services.

Our principal activity is the provision of equity finance for unlisted companies in the UK, on the Continent of Europe and in the USA. The specific areas on which we concentrate are: development capital, management buy-outs and buy-ins, recovery situations, investment in minority stakes in private companies and financing and syndication of property and property related transactions.

Our listed portfolio consists primarily of certain large listed holdings which originated from investments in private companies, and special situations where market anomalies can be exploited.

We have satellite or associated companies which operate in the specialist areas of leasing and trading aircraft assets, providing mezzanine property finance, corporate venturing and in the leisure industry.

FINANCIAL HIGHLIGHTS

ASSETS

	30 September 1990 £'000	30 September 1989 £'000	Percentage (Decrease)
Adjusted net assets (Note)	477,668	567,765	(15 87)
Unlisted investments at Directors' valuation	329,687	374,938	N/A
Listed investments at market value	151,035	216,910	N/A
Net asset value per share of 25p:			
Fully diluted*	291.71p	345 73p	(15 62)
Basic	316.45p	376 42p	(15 93)
F.T.-Actuaries All-Share Index	962 18	1169 50	(17 73)

Note: Adjusted net assets at 30 September 1990 comprise net assets of £467,668,000 per the Consolidated Balance Sheet plus £10,000,000 in respect of the interest in Electra Kingsway (1989 £Nil).

* These figures assume the exercise in full of the rights attaching to the US$ 40 million 9 per cent Promissory Notes 1992 and of the outstanding rights to subscribe for shares under the Executive Share Option Scheme (See Note 18 on page 47 for full details)

REVENUE

For the year ended 30 September	1990 £'000	1989 £'000	Percentage Increase
Profit attributable to shareholders	14,274	12,519	14 02
Earnings per share of 25p	9.463p	8 323p	13.70
Dividends per share of 25p	6.10p	5 50p	10 91
Retail Price Index	510.09	460 00	10.89

LARGEST UNLISTED HOLDINGS OF THE GROUP

The following unlisted investments represent 56 per cent of the Group's fixed asset unlisted investments at 30 September 1990.

Unlisted in the United Kingdom held directly	Cost of holding at 30 Sept 1990 £'000	Directors' valuation of holding at 30 Sept 1990 £'000
Nimex Resources Oil and gas exploration	12,363	21,300
Aviation Holdings Aircraft leasing and trading	13,995	20,726
Thamesorb Properties Property development	10,800	10,800
Parker Pen Manufacture of writing instruments	100	9,751
UGC (Unipart) Automotive spare parts	64	8,884
Sphere Drake Group Insurance	992	8,014
BPCC Printing group	6,686	6,686
Electra Property Finance Mezzanine property finance	8,008	5,368
Charter Reinsurance Reinsurance	3,150	4,989
United Machinery Group Manufacture of shoe manufacturing machinery	3,000	4,185
Porter & Haylett Manufacture and hire of motor cruisers	439	3,581
Berkertex Holdings Wholesalers and retailers of ladies clothing	3,548	3,548
Kapiti Software applications	2,538	3,205
Langfords Holdings Exhibition organiser	2,968	2,968
Household Mortgage Corporation Mortgage providers	2,130	2,550
	[illegible]0,781	116,555

LARGEST UNLISTED HOLDINGS OF THE GROUP

Unlisted in the United Kingdom held through Electra Private Equity Partners	Cost of holding at 30 Sept 1990 £'000	Directors' valuation of holding at 30 Sept 1990 £'000
Jarvis Hotels Hotel group	9.023	9.023
The Summit Group Leasing	6,191	6,191
Magnus Holdings House builders	4,321	4,321
	19,535	19,535

Unlisted Abroad held directly		
Oppenheimer Group Brokerage, trading and money management	8,010	7 667
Acadia Electra Partners Investment holding partnership	7,389	6,441
RJR Associates Leveraged buy-out of RJR Nabisco	7,383	6,260
Odyssey Partners Partnership engaged in investment, trading and financial activities	4,452	5,655
Caldor Retail stores group in the USA	4,137	3,743
Esmark Manufacture of dance wear, aerobic wear and hosiery	3,042	3,743
Oppenheimer Livonia Associates Ownership of industrial site in Livonia, Michigan, USA	6,152	3,743
Orthofix International Investments Distribution of medical products	2,507	3,654
Act III Cinemas Cinema chain on west coast of USA	3,551	3,208
CDP International (sold since year end) International advertising agency	2,4[illegible]5	3,208
Flex Holding Employment agency in Europe	2 584	2,584
	51,612	49,906

LARGEST LISTED HOLDINGS OF THE GROUP

The following listed investments represent 65 per cent of the Group's fixed asset listed investments at 30 September 1990.

Listed in the United Kingdom	Cost of Holding at 30 Sept 1990 £'000	Valuation of Holding at 30 Sept 1990 £'000
Hays	4,119	11,100
ADT	5,108	6,155
Invergordon Distillers Group	165	6,067
Candover Investments	918	6,027
Harland Simon Group	1,053	5,880
Guinness	2,568	5,368
Mezzanine Capital Corporation	4,345	4,848
Stakis	1,241	4,548
MB Group	443	4,290
Fairey Group	500	4,272
Anglo United	5,548	3,737
NSM	7,740	3,710
Kunick Leisure	5,176	3,601
Water Package	2,550	3,353
FKI	5,753	2,945
Bullough	1,168	2,774
Astec	6,275	2,700
Babcock International Group	3,710	2,592
Budgens	6,393	2,501
	64,773	86,468
Listed Abroad		
Presidio Oil	5,323	5,642
Horsham	2,149	3,215
Nacre	1,334	2,513
	8,806	11,370

CHAIRMAN'S STATEMENT

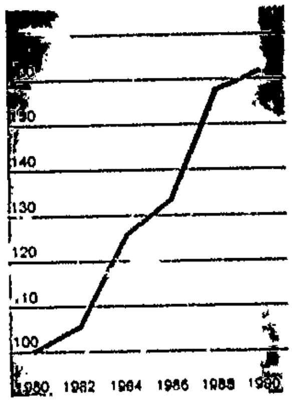
I am pleased to present the Report and Accounts for the year ended 30 September 1990 These incorporate, for the first time, the operations of our new partly owned management company, Electra Kingsway and investments made through Electra Private Equity Partners ("EPEP")

Results

As at 30 September 1990, the adjusted fully diluted net asset value per ordinary share of Electra was 291.71p, a fall of 15.62% compared with the figure of 345 72p as at 30 September 1989 This compares with a fall of 17.73% in the F T -Actuaries All-Share Index during the year. Our results for the year were principally affected by the underperformance of the smaller capitalised listed stocks, the sector of the listed market in which we specialise and which produced good results for most of the last decade. Other negative factors included the writing down of certain unlisted investments primarily those which are property related and the relative strength of Sterling, which appreciated by 15% against the US dollar, thereby reducing the value of our US portfolio

Profits attributable to shareholders were £14,274,000, an increase of 14.02% over the previous year Your Directors are recommending payment of a final dividend of 3.1p making a total for the year of 6 1p, an increase of 10.91%. This compares with a 10.89% increase in the rate of inflation and underlines our endeavour to maintain a level of dividend increase which at least matches inflation

Basic Net Asset Value Per Share
Relative to F T - Actuaries All Share Index



30 September 1980 = 100

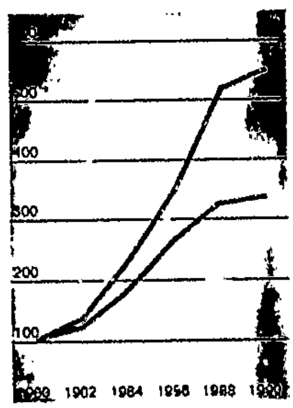
Electra Kingsway

I referred last year to the setting up of our new management company, Electra Kingsway, and to the raising of the new fund, EPEP. You will find on pages 14 and 15 of this Report details of the new structure both in terms of shareholding and management contracts.

Electra Kingsway has had a successful first year of operations It is now becoming recognised as a powerful force in the market in which it operates. Electra Kingsway will continue to explore opportunities to develop specialist fund management operations. We believe that the recent sharp fall in property values has created such an opportunity and we are therefore working with Arlington Securities, a subsidiary of British Aerospace, and General Electric Investments of the US, to form a new independent property company in which Electra Kingsway will share the responsibilities for management.

Other such opportunities may arise in the future and it is by the development of these that we hope to build the capital value of Electra Kingsway into one of our most important unlisted investments

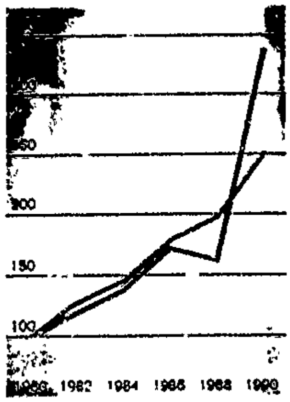
Basic Net Asset Value Per Share
Compared with F T - Actuaries All Share Index and Standard and Poors



— Net Asset Value
— F T Actuaries All Share
Standards and Poors
30 September 1980 = 100

CHAIRMAN'S STATEMENT

Earnings and Dividends Performance
Compared with Retail Price Index



— EIT Earnings
— EIT Dividends
Retail Price Index
30 September 1980 = 100

Electra Private Equ[illegible] ("EPEP")

Your Company has c[illegible] [illegible]200 million out of a total fund of £486 million The process of investing EPEP is well advanced and, at the time of writing, 35% of the fund has been called down EPEP has committed £142 million and is actively working on a number of other major investment proposals.

Michael Bentley, who played a key role in the creation of our new structure, has decided that he now wishes to pursue other interests Accordingly, he will resign from the Board of your Company after the forthcoming Annual General Meeting. The Board is most grateful for his contribution to the affairs of Electra over the past five years and wishes him every success in his new career

The Future

The current world economic outlook must be one of the more pessimistic in recent history and I believe the UK economy is moving into uncharted waters. It is pleasing that, despite all the gloom around us, your Company is well positioned and should have an active and profitable period of investing in the coming years.

The challenge for Electra is to be seen to be active in the specialist unlisted and listed investment markets in which we operate whilst at the same time exercising extreme caution as we may not yet have seen the worst of the economic downturn.

The era of the highly leveraged transaction is probably over for several years ahead. This will create a substantially increased requirement for the provision of intelligently structured equity related finance in which Electra specialises.

Our strategy of longer term investing should be particularly appropriate in this financial climate Our current deal flow is greater than it has been at any time and pricing of transactions is beginning to recognise the severity of the current recession.

Once again, I should like to thank my fellow Directors and my colleagues for all their efforts and the level of their commitment and look forward with enthusiasm to the challenges facing us

M C Stoddart 9 January 1991

Michael Bentley
Michael Stoddart
David Osborne
Glyn Morris, Clive Clague,
Hugh Mumford

Michael Stoddart,

Michael Bentley,

David Osborne

Glyn Morris

Clive Clague

Hugh Mumford

Brian Peppiatt
Lord Vinson, Colin Black
Sir Christopher Wates
Leon Levy, Bryan Jenks
Michael Pickard

Brian Peppiatt

Lord Vinson,

Colin Black

Sir Christopher Wates

Leon Levy

Bryan Jenks

Michael Pickard

GROUP EXECUTIVES

Unlisted Investments
Harry [illegible]
David [illegible]
Tim Syder

Unlisted Investments
Clive Clague
Peter Rowledge
Julian Knott
David Osborne

Unlisted Investments
Parry Hughes Morgan
Charles St John
Rowan Gormley
Oliver Huntsman

Unlisted Investments
Robert [illegible]
Mark [illegible]
Rupert Lang
Jonathon Band

Listed Investments
[illegible] Morris
[illegible]-Carter

[illegible]

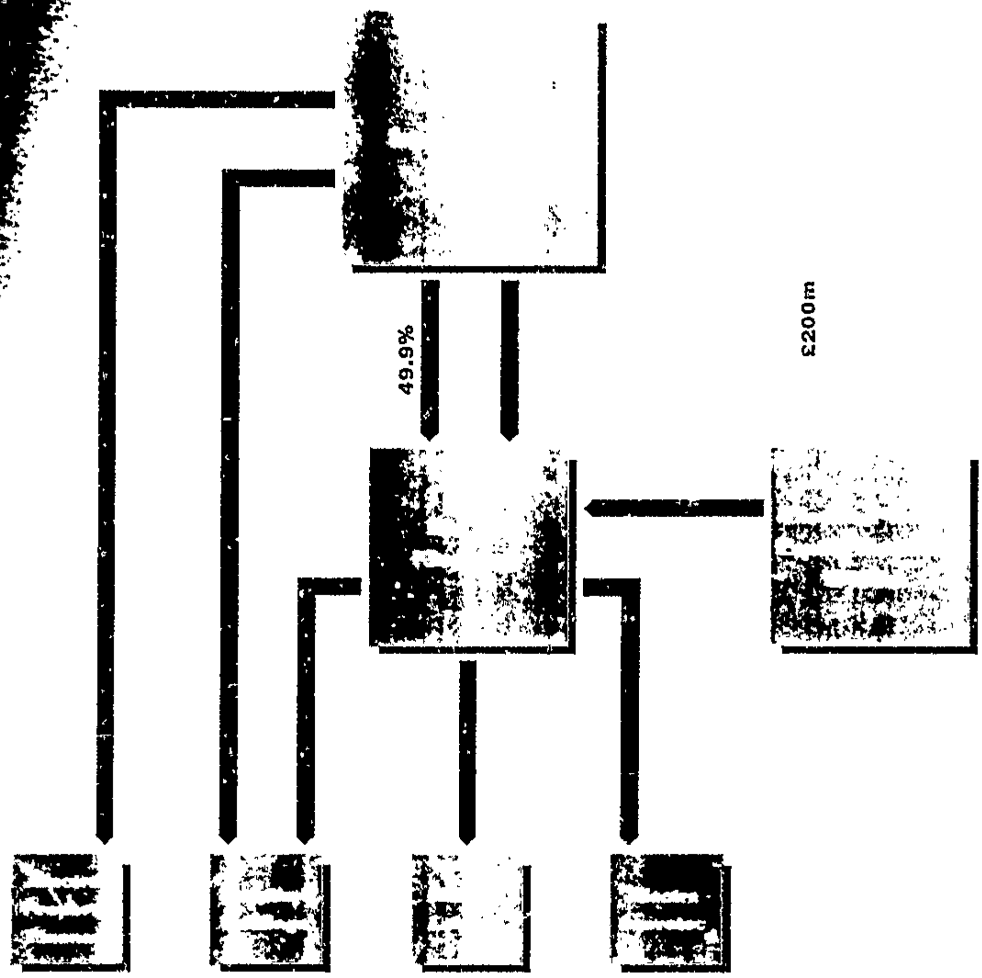
[illegible] Property [illegible]
John Hampson
Roger Isaac
Nigel Elsley
Nancy Davis

[illegible]
[illegible]
[illegible]
[illegible]

[illegible]
[illegible]
[illegible]
[illegible] Ma[illegible]
[illegible] Marsden
[illegible]

[illegible]
Diane Smith
John [illegible]
Caroline Murray
Peter [illegible]

GROUP STRUCTURE



Shareholding Interest

Management Contract

Commitment to Invest

The chart on the opposite page sets out in graphic form the new structure of the Electra Group including the relationships between the various entities, both in terms of shareholdings, management contracts and commitment of funds.

Electra owns 49 9% of the ordinary shares and all the preference share capital of the new management group. Electra Kingsway, which has contracts for the management of Electra's assets and those of EPEP, the £486 million limited partnership fund raised for unlisted equity investment in the UK and Continental Europe. Electra has committed £200 million of its resources to EPEP over the four year drawdown period of the fund and enjoys a 10% share in the net profits accruing to the remaining £286 million committed by third parties (the "carried interest"). Electra owns directly all the interests in one of the satellites, Electra Property Finance, and the principal interests in a second, Aviation Holdings, while Electra Kingsway owns the equity interests in Electra Innvotec and Electra Leisure and part of the interests in Aviation Holdings.

The remaining ordinary shares of Electra Kingsway are owned by its management (20%) and core investors in EPEP (30.1%) whose combined commitment to EPEP is £165 million. These core investors comprise General Electric Pension Trust of the US, Credit Commercial de France, The Industrial Bank of Japan, the Government of Singapore Investment Corporation and British Coal Pension Funds (as a result of the take-over of Globe Investment Trust), together with United States Steel & Carnegie Pension Fund and The Howard Hughes Medical Institute

REVIEW OF OPERATIONS

UNLISTED SECTOR

The year under review saw a major change in the sentiment of the financial markets The markets for private equity capital in which Electra operates proved to be no exception to this and the period witnessed a marked change in both the nature of unlisted opportunity and the pricing of transactions within the market place. The number of large management buy-outs and other corporate reconstructions, involving high levels of gearing, declined sharply as the uncertain economic outlook made such capital structures too risky. On the other hand, many companies have found themselves with levels of gearing which are difficult to sustain in an environment of prolonged high interest rates and declining profitability. As a consequence, Electra, as one of the major providers of private equity capital, has been the recipient of an excellent deal flow, as companies, both quoted and unquoted, have sought to restore their equity base. During the year, the pricing of unlisted transactions began to show a marked decline, with the result that the requirement to structure transactions with high levels of debt in order to produce adequate equity returns is no longer a necessity. Capital structures in unlisted transactions can thus be more conservatively divided between debt and equity, thereby reducing the financial risk while still allowing the required equity return to be targeted.

During the period under review we were able to add £118 million of new investments to the unlisted portfolio at reasonable pricing levels. On the other hand, despite the adverse economic situation, we were able to maintain a more than satisfactory disposal programme, realising investments to a value of £119 million.

The performance of the portfolio in the year ended 30 September 1990 was somewhat mixed. It should be emphasised, however, that, given the current uncertainty in the economy, your Directors remained cautious in their approach to the valuation of individual investments. Consequently, investment gains during the year were, for the most part, recognised only by reference to open market transactions or through actual disposals

Total gains recorded by the unlisted portfolio during the year exceeded £55 million. The most significant gain in the year arose from the sale of our investment in The Bricom Group during August 1990 Total cash proceeds to Electra amounted to £23 million against a cost of £7 1 million Of the increase in value, £14 7 million related to the year under review, the balance of the increase having been recognised in prior years As described in the Interim Report, we have attributed a value of £10 million to the securities held by Electra in Electra Kingsway This valuation was based on the subscription price paid by outside shareholders. A gain of £5.6 million in the value of our holding in Nimex Resources resulted from the increase in the share price of Monument Oil & Gas, a quoted company Other major gains resulted from the listing of Invergordon Distillers in May of this year and the sale of our holding in Reedpack

Not surprisingly, the unquoted portfolio did not escape from the downturn in the UK economy. In particular, we were hard hit in the property sector, resulting in several significant losses The loss of our investment in Sibec was mentioned in the interim accounts and we made a full provision of £6.5 million against our exposure to Downland. We also took a prudent view of our investment in Electra Property Finance, which, after two profitable years of operation, has been affected by the slow-down in the property market. In the light of the current difficulty of obtaining reasonable prices for development properties, we reduced the valuation of Electra's holding in Electra Property Finance by £10 4 million, primarily to reflect a full provision against that company's loan to Thamesorb Properties We believe, however, that given a return of reasonable market conditions, the loan to Thamesorb will be recovered in full. In aggregate, the total of provisions and writedowns made against individual investments during the course of the year exceeded £70 million

Net of gains, the performance of the unlisted portfolio showed a decline in value of £33 million over the year of which £17 million was attributable to the decline in value of the US Dollar against Sterling In percentage terms, the decline in value of the unlisted portfolio amounted to 6 5% against a fall in the F.T.-Actuaries All-Share Index over the same period of 17 7%. Given the uncertainty in the financial markets in the period, we believe this represents a satisfactory performance.

On the positive side, many of our larger investments continued to make good progress. As mentioned above, the success of Nimex Resources was mirrored in the share price of Monument Oil & Gas which became the sole asset of the company following a reconstruction in September 1990 The flow of profitable opportunity to Aviation Holdings has been greater than anticipated, leading to good results for the year to 30 September 1990 We have, however, reduced the value of this investment to that at the previous year end, adjusted for currency movements, because of the current financial problems surrounding the aviation industry. Parker Pen continues to demonstrate resilience in tough economic circumstances and Unipart also produced good trading results. BPCC's results, since the management buy-out in 1988, have met expectations and a fully underwritten rights issue, announced in November, will substantially reduce the balance sheet gearing

We added a number of interesting new companies to the portfolio during the year. The largest transactions completed included an investment of £9 million in Jarvis Hotels, a transaction in which a new management team, led by John Jarvis, previously Chairman and Chief Executive of Hilton International, purchased 41 hotels from Allied Lyons.

We made a major commitment of £11.7 million to The Summit Group, of which £6.2 million had been drawn down by the year end, to enable that company to purchase Anglo Leasing. An investment of £4.3 million was made in Magnus Holdings, a West Country house-builder, in a transaction designed to strengthen that company's balance sheet

As anticipated, the majority of new investments made by Electra in the UK and Continental Europe are now made through EPEP. In the eight months to 30 September 1990, EPEP invested £76 million and committed to invest a further £30 million. Electra's investments through EPEP amounted to a total of £31 million in the year under review. It is important to emphasise several points in relation to investments made through EPEP. Firstly, Electra's investment is part of a larger investment controlled by the Electra Kingsway Group. Electra Kingsway is thus able to exert a greater influence on the portfolio company than that justified by Electra's level of investment alone. Secondly, Electra's share of the profits of each of these transactions will be significantly enhanced through the carried interest in EPEP, in the event that the fund is successful overall.

With respect to the future, it appears likely that in the absence of a rapid recovery of the economies of the UK or the US, the rate of disposals from the unlisted portfolio will slow, thereby reducing the realisation of potential gains. However, we remain encouraged by the flow of transactions we are receiving and believe that the availability of a large pool of capital at this time in the investment cycle, gives us an enviable operating position. To obtain the maximum advantage from this position, we continue to expand our network. During the year, our Paris office, set up jointly with our partners, Crédit Commercial de France, has become fully operational, giving us direct access to opportunity in Continental Europe; close associations have also been developed in Italy and Spain. Together with the maturing presence of our US Office, we now have a good flow of opportunity from both within and outside the UK.

UNLISTED REVIEW: PORTFOLIO

Over the 12 months under review, a total of £118 million, including a call down of £50 million by EPEP, was invested in unlisted securities of which £73.5 million related to new investments and £44.5 million represented additions to existing investments. Total proceeds from the sale or transfer to the listed portfolio of unlisted investments during the period amounted to £119 million. The most significant additions and realisations in the period are summarised in the tables set out below

New Investments made direct by the Company

Company	Type of Security	Cost £'000
Thamesorb Properties	Equity & Loan	10,800
Caldor	Equity & Loan	4,137
Act III Cinemas	Equity	3,551
Oxford Healthcare	Equity & Loan	1,604

Investments made through Electra Private Equity Partners

Company	Type of Security	Cost £'000
Jarvis Hotels	Equity	9,023
The Summit Group	Equity	6,191
Magnus Holdings	Equity & Loan	4,321
The Bricom Group	Equity & Loan	2,908
Healthcall Group	Equity	1,770
Toplis & Harding	Equity	1,706
Periquito Hotels	Equity & Loan	1,677
Video Arts	Equity & Loan	1,275

Additions to Existing Investments

Company	Type of Security	Cost £'000
Acadia Electra Partners	Partnership Capital	6,628
Nimex Resources	Equity	6,435
RJR Nabisco	Equity & Loan	2,644
Electra Property Finance	Loan	2,500
Langfords Holdings	Loan	1,690
Ferranti Creditphone	Equity	1,588
Kapiti	Equity	1,505
Charter Reinsurance	Equity	1,319
Electra Innovotec	Equity	1,250
Flex Holding	Equity & Loan	1,090

REALISATIONS

Company	Type of Security	Proceeds including value of securities received in exchange £'000	Cost £'000
The Bricom Group	Equity	23,049	7,053
Hays	Equity	14,123	4,924
Invergordon Distillers Group	Equity & Loan	12,600	4,193
Alpha	Partnership Capital	6,631	6,698
UGC (Unipart)	Equity	5,648	2,848
Financial Security Assurance	Equity & Loan	5,507	4,796
Electra Property Finance	Loan	4,500	4,500
Reedpack	Equity	4,033	1,618
Kramer Capital	Equity	4,028	1,334
Presidio Oil	Equity	3,891	3,118
Jeyes Hygiene	Equity	3,692	966
Corgi Toys	Equity	3,653	881
Norsolor	Equity	3,304	700
International Financial Markets Trading Company	Equity	2,765	2,058
Aviation Spares	Loan	1,872	2,052

NEW INVESTMENTS

Caldor

In early 1990, Electra invested $7 million in senior subordinated notes and warrants of Caldor Corporation in a deal led by Odyssey Partners. The company is a regional discount retailer in the US, operating 118 stores in eight Northeastern and mid Atlantic states. The stores offer a broad range of branded and private label merchandise including housewares, consumables, electronics and apparel.

Jarvis Hotels

Jarvis Hotels is a new company formed by John Jarvis, (formerly Chairman and Chief Executive of Hilton International), and David Thomas, (formerly Managing Director of Ladbrokes Leisure subsidiary companies) to acquire from Allied Lyons, the Embassy Hotel division for £186 million. Electra has an investment of £9 million in this company for an 8% equity interest.

Magnus Holdings

In August 1990, Electra invested £4.3 million in this West Country housebuilder as part of a recapitalisation of the company. The transaction was led by Electra Kingsway which arranged the finance in the form of a deep discounted bond with warrants attached. Magnus builds a range of houses from first time buyer units to five bedroom properties, predominantly in Somerset and Devon but also in the Midlands.

The Summit Group

Summit is a financial services group whose activities include leasing, the provision of financial advice and property investment. In June 1990, Electra committed to invest £11.7 million in Summit alongside a consortium of investors led by Electra Kingsway who together committed to invest a total of £134 million. This injection of capital enabled Summit to acquire Anglo Leasing, one of the largest 'small ticket' sales-aid leasing companies in the UK.

Thamesorb Properties

Electra has a 37.5% equity interest in Thamesorb, a company formed to acquire the freehold of College House, Wrights Lane, Kensington. The balance of the equity is held as to 37.5% by the Trustees of General Electric Pension Trust of the US and 25% by Electra Property Finance. Electra and General Electric each lent £10.8 million, on a secured basis, to Thamesorb to finance the purchase of College House and Electra Property Finance advanced most of the balance of the purchase price on a subordinated basis. College House is an existing office building built in the 1930s which is being held by Thamesorb pending redevelopment following the recently granted planning consent to erect 180,000 gross square feet of offices on the site. It is one of the largest sites with planning consent available in Kensington.

EXISTING INVESTMENTS

Acadia Electra Partners

Electra has invested a total of $13 7 million in a partnership organised by Acadia Partners L.P The partnership has invested in the equity and mezzanine of a number of transactions in the US, the most significant of which is Ivex Packaging Corporation, a company producing polystyrene sheet and corrugated paper for the food industry.

BPCC

In January 1989, Electra invested in the £265 million management buy-out of BPCC from Maxwell Communication Corporation organised by Electra Candover Partners. Trading in 1989 was buoyant and the cash generated exceeded expectations, enabling businesses earmarked for disposal to be retained. Trading in 1990 was broadly in line with 1989 but in view of the continuing climate of high interest rates and the uncertain outlook for the UK economy, the company launched a £41.7 million rights issue in November 1990 in order to reduce the level of borrowings and to take advantage of acquisition opportunities as and when they arise. The rights issue was fully underwritten by EPEP and funds managed by Candover Investments

Esmark

The company, in which Electra is the largest shareholder, is a leading manufacturer of dancewear, aerobic wear and hosiery in the US. The current levels of trading are very satisfactory with substantial increases in volumes of all its major lines

KKR

Over the past eight years Electra has invested in a series of leveraged buy-outs in the US organised by Kohlberg Kravis and Roberts ("KKR") At 30 September 1990 the total of the investments in these companies was valued at £14 8 million The largest individual investments are in RJR Nabisco (£6 8 million), Safeway Stores (£1 9 million) and Union Texas Petroleum (£1 8 million)

Nimex Resources

In August 1987 Electra and other investors backed Tony Craven-Walker, formerly Chief Executive of Charterhouse Petroleum, in the creation of a new independent oil production and exploration company, Nimex Resources. In August 1988, Nimex acquired a 40% holding in Monument Oil & Gas, a listed company. Since then, Monument has acquired a number of oil producing assets whilst also undertaking a successful exploration programme. During 1990, Monument acquired Nimex's operating subsidiaries in conjunction with a simultaneous rights issue which maintained Nimex's holding in Monument at 40%

Parker Pen

Following a restructuring in April 1989, Electra has recovered its initial investment of £3.4 million and retained a shareholding of just over 10% in Parker. The business continues to trade in line with its targets With sales spread across Europe, Asia, North America and South America, Parker is successfully weathering the effects of the present economic uncertainties

Sphere Drake Group

In December 1987 Electra invested in the management buy-out of the Sphere Drake Insurance Group from Alexander and Alexander Services. Sphere Drake is a London-based insurance company writing marine, non-marine, aviation and motor insurance. The period immediately following the investment proved most satisfactory and the operations of the company have been substantially improved. With respect to current trading, the company has not been immune to the problems facing the London insurance market.

UGC (Unipart)

The overall trading of this automotive parts distributor continues satisfactorily against the background of a depressed commercial environment. Borrowings taken on in 1989 to fund a share buy-back scheme have now largely been repaid and the company is well positioned to take advantage of opportunities.

DISPOSALS

Hays	£'000	£'000
Cost		8,143
Proceeds - Cash	6,212	
Value of s[illegible]etained at 30 Se[illegible]er 1990	11,100	17 312

Electra invested £8.1 million in this management buy-out organised by Electra Candover Partners in October 1987. Hays attained a stock market quotation in October 1989.

Th[illegible] Byloom Group	£'000
Cost	7 053
Proceeds - Cash	23,049

Electra invested £7.1 million, including a participation through EPEP of £2.9 million, in the management buy-out of this industrial holdings group from British and Commonwealth in June 1988. In August 1990, the company was sold to Gamelstaden of Sweden for cash.

Invergordon Distillers Group	£'000	£'000
Cost - net cash invested		4,285
Proceeds - Cash	6,201	
Value of shares retained at 30 September 1990	6,067	12,268

Electra invested a net total of £4.3 million in this buy-out in January 1989. In March 1990 the company attained a stock market quotation.

SATELLITES

The term "satellite" is used to describe joint ventures between the Electra Group and qualified management teams experienced in the conduct of investment business in particularly specialised fields. These entities form an integral part of the development of Electra's business by broadening the scope of its collective expertise in the unlisted sector. They invariably bear the Electra name and Electra or Electra Kingsway have a significant economic interest in their activities. Funding is provided in a variety of forms, partly by Electra and partly from third party sources.

Aviation Holdings PLC

This company, which trades as Electra Aviation, specialises in the leasing of commercial jet aircraft, normally over a term of three to ten years. The company's aircraft acquisition policy calls for investment in a variety of operationally-flexible, well-maintained and widely held, state-of-the-art aircraft types. These include both wide and narrow bodied aircraft which meet, or can be modified to meet, the latest noise compliance standards and which have high future value potential. The company also plans to continue and expand its activities in investment projects which specialise in the modification of aircraft for the purposes of extending their economic useful life. The airline industry has recently been subjected to considerable financial pressure following the development of the crisis in the Gulf. Aviation Holdings, however, believes it is well placed to withstand the potential negative impact of this situation in view of the quality of the aircraft equipment in the portfolio and the raising of additional capital which is now in progress. For the year ended 30 September 1990 the company reported operating profits of US$25.6 million and a post tax profit of US$18.8 million and completed the year with a portfolio of 40 aircraft with a book value of US$869 million. The largest shareholders in the company are Scandinavian Airline Systems Group and Electra with initial equity interests of 25% and 23% respectively.

Electra Innvotec Limited

Electra Innvotec is a management company owned 60% by Electra Kingsway and 40% by its executives. It manages an £18.4 million fund - Electra Innvotec - to which Electra has subscribed £5 million - and also a £15 million fund on behalf of British Gas. The focus of their investment policy is the establishment of corporate ventures and participation in relatively new businesses where the management team's experience of advanced manufacturing technology is of value to the investee company.

Electra Leisure Group Limited

Electra Leisure provides a blend of merchant banking and investment skills, offering financial advice and venture capital to the leisure industry. It is owned 80% by Electra Kingsway and 20% by its management. Since its formation in February 1990, Electra Leisure has carried out a number of assignments on behalf of companies seeking advice on acquisitions, funding arrangements and development strategy. In addition, it has made three investments and is engaged in discussions on several further investments. Despite some weakness in certain sectors of the leisure industry over the past year, the flow of investment opportunities remains strong. Electra Leisure has rapidly established itself as a leader in this specialist field

Electra Property Finance Limited

This company provides mezzanine finance for property projects. It is owned 56% by Electra, 30% by General Electric Investment Corporation of the US and 14% by its management. After two successful years of trading the company is currently suffering from the depressed state of the UK property market. This has affected the inflow of profitable new business and the performance of certain loans in the existing portfolio. The company believes, however, that, when market conditions return to normal, the out-turn from the present loan portfolio will be satisfactory. Opportunities for new business will be taken as they arise and when the company considers it prudent.

LISTED SECTOR

The year under review has been a difficult time for all world stock markets and in particular our area of involvement in smaller UK companies. The F.T.-Actuaries All-Share Index declined by 17.7% over the year, and whilst the measurement of performance in the smaller company sector is somewhat imprecise, some measures of performance indicate a fall of 34% in this sector, nearly double that of the F.T.-Actuaries All-Share Index.

The economic difficulties in the UK, with a prolonged period of high interest rates and high inflation slowing demand, have produced a profitability squeeze for the corporate sector and in particular the smaller company sector. This reduction in profitability has been more pronounced than in larger companies, due to the greater exposure of smaller companies to the domestic economy, and their inherently higher degree of balance sheet leverage, given their inability to raise new equity finance in unfavourable stock market conditions.

The relative valuations of these companies have fallen significantly, as a consequence of these economic difficulties and an inherent weakness in the stock market in the shares of small companies. However, it is worth noting that smaller companies equally underperformed the broader indices during the economic downturns of 1973, 1981, and 1984, and subsequently recovered during the economic upswing, to resume their longer term outperformance.

There have been few changes to the portfolio during the year, with activity constrained by the diminished liquidity in the smaller company area. We sold our holdings in Coloroll and Standard Chartered and reduced our holding in Guinness following the tender from LVMH.

Value of an ordinary share on Budget Day 1982 — 54p

The following tables contain information which is shown in summarised form in the graphs on pages 8 and 9.

Capital, Reserves and Net Assets

Year to 30 September

	Called up share capital £'000	Reserves £'000	Net assets £'000	Basic Net asset value per ordinary share p
1980	12,266	75,979	88,205	59.02
1981	37,163	60,987	98,150	66 03
1982	37,163	78,910	116,073	78.08
1983	37,163	133,709	170,872	114.95
1984	37,163	166,998	204,161	137 34
1985	37,251	206,451	243,702	163.55
1986	37,387	275,003	312,390	208.89
1987	37,433	460,823	498,256	332.77
1988	37,555	419,333	456,888	304.15
1989	37,708	530,057	567,765	376.42
1990	37,736	429,932	467,668	316.45

Earnings and Dividends

Year to 30 September

	Earnings attributable to shareholders £'000	Dividends paid £'000	Basic earnings per share p	Dividends per share p
1980	4,045	3,570	2.760	2.433
1981	4,368	4,406	2 960	2.985
1982	4,917	4,668	3 300	3.140
1983	5,421	5,091	3 660	3.377
1984	5,652	5,274	3.800	3.548
1985	6,252	5,655	4.200	3.800
1986	7,163	6,422	4.800	4.300
1987	8,098	7,038	5.410	4.700
1988	6,279	7,211	4.486	4.800
1989	12,519	8,286	8.323	5.500
1990	14,274	9,208	9.463	6.100

REPORT OF THE DIRECTORS

To the members of Electra Investment Trust P.L.C.

The Directors present their Report and the Accounts for the year ended 30 September 1990

Group Activities

The principal activity of the Company throughout the year was 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 30 September 1989 and its affairs have been directed so as to enable it to continue to seek such approval. The 'close company' provisions of the Income and Corporation Taxes Act, 1988 do not apply to the Company.

Details of the Company's principal subsidiary companies are set out on pages 53 and 54. A review of the business of the Group is given in the Review of Operations on pages 16 to 26.

Results and Dividends

Profit attributable to shareholders amounted to £14,274,000. An interim dividend of 3.0p per share was paid on 7 August 1990. The Directors recommend the payment of a final dividend of 3.10p per share making a total for the year of 6.10p per share. Such dividends amount to £9,208,000 leaving retained profits of £5,066,000.

The proposed final dividend will, if approved by shareholders, be paid on 18 February 1991 to shareholders on the Register at the close of business on 15 January 1991.

Directors

Messrs M C Stoddart, M J Bentley, C H Black, C T Clague, B P Jenks, L Levy, R G Morris, H A L H Mumford, D F Osborne, B K Peppiatt, J M Pickard, Sir Christopher Wates and Lord Vinson were Directors of the Company throughout the year ended 30 September 1990. Mr R M Drummond resigned as a Director on 21 December 1989. Apart from these persons no other person was a Director of the Company during any part of the year. The Directors retiring by rotation are Mr C H Black, Mr R G Morris and Mr D F Osborne and they offer themselves for re-election. Mr M J Bentley has indicated that he will resign from the Board at the conclusion of the forthcoming Annual General Meeting. None of the Directors offering themselves for re-election has a service contract of more than one year's duration.

Directors' Interests

The interests of each of the Directors in the share capital of the Company are set out in note 21 to the Accounts on pages 50 and 51. Between 30 September 1990 and 9 January 1991 there were no changes in such interests except that Mr H A L H Mumford exercised options over 62,503 ordinary shares at 128p per share and over 32,497 ordinary shares at 135p per share on 19 October 1990. Such shares were sold by Mr Mumford on that date.

Substantial Shareholders

At 9 January 1991 the following had indicated an interest in 3% or more of the Company's ordinary shares

	Number	%
Mineworkers' Pension Scheme	6,367,273	4 21
British Coal Staff Superannuation Scheme	5,359,922	3 55
Prudential Corporation Group of Companies	9,209,038	6 09
Scottish Widows' Fund and Life Assurance Society	7 417,780	4 91
Standard Life Assurance Company and its subsidiaries	6,467,905	4 28
Government of Kuwait, Investment Authority	5,740,000	3 80
Electricity Supply Pension Scheme	5,552 143	3 67

Contracts

At 30 September 1990 Messrs M C Stoddart, M J Bentley, C T Clague, R G Morris, H A L H Mumford and D F Osborne held a personal interest in the Company's subsidiary Electra Kingsway Managers Holdings Limited ("Electra Kingsway"), subsidiaries of which have contracts for the management of the Company's portfolio and of the six funds for unquoted equity related investments together known as Electra Private Equity Partners ("EPEP"), in which the Company agreed to invest £200 million. In addition, each of such Directors acquired a direct personal financial interest in the profits of EPEP, although such interest does not apply to any profits attributable to the Company's investment in EPEP These arrangements are detailed in Note 22 to the Accounts on page 52.

Apart from such contracts and the Directors' Service Contracts referred to on page 63, there were no contracts subsisting during or at the end of the financial year in which a Director of the Company is or was materially interested and which is or was significant in relation to the Group's business

Political and charitable donations

During the year the Group made charitable donations totalling £22,290 and a sum of £5,000 was given to the Conservative Party

Auditors

Our Auditors, Deloitte Haskins & Sells merged their practice with Coopers & Lybrand on 29th April 1990 and now practise in the name of Coopers & Lybrand Deloitte.

A resolution proposing the re-appointment of Coopers & Lybrand Deloitte as the Company's Auditors and authorising the Directors to fix their remuneration will be considered at the Annual General Meeting

Extraordinary General Meeting

Immediately following the Annual General Meeting convened for Wednesday 13 February 1991 an Extraordinary General Meeting will be held to consider resolutions to authorise the establishment of a share savings scheme and amend the Memorandum and Articles of Association of the Company. Full details of these proposals are set out in the explanatory circular letter which accompanies these Report and Accounts.

Included in the resolutions to be proposed will be a resolution which will, if approved, empower the Directors for the period ending on the day of the next Annual General Meeting or on 12 May 1992, whichever is the earlier, to allot up to £12,264,055 nominal of relevant securities pursuant to Section 80 of the Companies Act 1985 and to allot equity securities wholly for cash (a) in connection with a rights issue (as defined), and (b) otherwise than in connection with a rights issue up to a maximum of £1,886,797 nominal of ordinary shares. The Directors are not currently aware of any circumstances in which any part of the above power would be used but are seeking such power for the purposes of flexibility.

By Order of the Board of Directors
P J Dyke, Secretary
65 Kingsway, London WC2B 6QT
9 January 1991

REPORT OF THE AUDITORS

To the members of Electra Investment Trust P.L.C.

We have audited the accounts on pages 33 to 58 in accordance with Auditing Standards

In our opinion the accounts give a true and fair view of the state of affairs of the Company and the Group at 30 September 1990 and of the profit and source and application of funds of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985

Coopers & Lybrand Deloitte

Coopers & Lybrand Deloitte

Chartered Accountants

London 9 January 1991

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.

Basis of Accounting

The accounts are prepared on the historical cost basis of accounting modified to include the revaluation of certain assets

Basis of Consolidation

All subsidiaries make up accounts to 30 September and their results for the period ended on that date are included in full in the Group results. Where subsidiaries are acquired or sold during the period their results are included in the Group accounts from the date of acquisition and up to the date of disposal respectively. Goodwill arising on acquisition is written off reserves.

Income and Expenses

Investment income is included as revenue in the period in which the due date for payment of the dividend arises except for fixed coupon income which, together with interest payable and all other expenses, is treated on the accruals basis Partnership income is recognised on a receipts basis.

Investments

The valuations of unlisted investments and of partnership interests are based upon the information available to Directors Listed investments are stated at market value which is based upon middle market prices at the year end. Investments in overseas companies listed both abroad and on The Stock Exchange, London, are classified as investments listed abroad Long term leasehold investment properties are included at Directors' valuations.

Associated Companies

Particulars of the Group's and Company's holdings in their principal associated companies are set out in note 26 on pages 54 to 56 Dividends received during the year from these companies are included in the consolidated profit and loss account and such holdings at the year end are included in the accounts at valuation The Company does not include its share of the undistributed profits of associated companies in the accounts as in the opinion of the Directors it would be misleading for an investment trust to do so

Exchange Rates

Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the close of business on the accounting date (30 September 1990 US $1 870=£1, 30 September 1989 US $1 622=£1) Differences arising are taken to reserves

Depreciation

Leasehold improvements are amortised over the period of the lease Other fixed assets are written off on a straight line basis over four years

Current Asset Investments

Investments held for dealing and shown as current asset investments are individually stated at the lower of cost or value at middle market price for listed investments and at the lower of cost or Directors' valuation for unlisted investments.

Deferred Taxation

Deferred taxation is provided by the liability method on all timing differences expected to reverse in the foreseeable future

Pension Costs

The expected cost of pensions in respect of the Group's defined benefit pension scheme is charged to the Profit & Loss Account so as to spread the cost of pensions over the service lives of employees in the scheme. Variations from the regular cost are spread over the remaining service lives of current employees in the scheme. The pension cost is assessed in accordance with the advice of qualified actuaries.

CONSOLIDATED PROFIT & LOSS ACCOUNT

Note		For the year to 30 Sept 1990 £'000	For the year to 30 Sept 1989 £'000
1	Income of the investment trust	23,086	27,573
2	Income of subsidiary companies	11,896	6,876
		34,982	34,449
3	Expenses	11,316	9,876
		23,666	24,573
6	Interest payable	4,508	7,818
	Profit on Ordinary Activities Before Taxation	19,158	16,755
7	Taxation on profit on ordinary activities	4,181	4,228
	Profit on Ordinary Activities After Taxation	14,977	12,527
	Minority share of profits	703	8
8	**Profit Attributable to Shareholders**	14,274	12,519
9	Dividends	9,208	8,286
19	**Transfer to Revenue Reserves for the year**	5,066	4,233
10	**Earnings Per Share**	9.463p	8.323p

CONSOLIDATED BALANCE SHEET

Note			As at 30 Sept 1990	The Group	As at 30 Sept 1989
		£'000	£'000	£'000	£'000
	Fixed Assets				
11	Tangible assets		5,853		6,055
12	Investments				
	Unlisted	329,687		374,938	
	Listed	151,035		216,910	
			480,722		591,846
			486,575		597,901
	Current Assets				
13	Debtors: amounts falling due within one year	14,833		13,766	
14	Investments	172		227	
	Cash at bank and in hand	13,981		11,427	
		28,986		25,420	
	Current Liabilities				
15	Creditors: amounts falling due within one year	25,667		29,790	
	Net Current Assets/(Liabilities)		3,319		(4,370)
	Total Assets less Current Liabilities		489,894		593,531
16	Creditors: amounts falling due after more than one year		21,430		24,692
			468,464		568,839
17	Provisions for liabilities and charges		603		316
			467,861		568,523
	Minorities		193		758
	Net Assets		467,668		567,765
	Capital and Reserves				
18	Called up share capital		37,736		37,708
19	Non-distributable - realised profits	418,701		365,061	
19	Non-distributable - unrealised profits	(5,350)		153,288	
19	Distributable - profit & loss account	16,581		11,708	
			429,932		530,057
	Shareholders' Funds		467,668		567,765

BALANCE SHEET

Note		£'000	As at 30 Sept 1990 £'000	The Company £'000	As at 30 Sept 1989 £'000
	Fixed Assets				
11	Tangible assets		2,200		2,200
12	Investments				
	Shares in Group companies	24,252		14,252	
	Unlisted	317,070		359,372	
	Listed	150 223		216,910	
			491,545		590,534
			493,745		592,734
	Current Assets				
13	Debtors: amounts falling due within one year	20,345		19,326	
	Cash at bank and in hand	8,766		9,102	
		29,111		28,428	
	Current Liabilities				
15	Creditors: amounts falling due within one year	28,065		32,378	
	Net Current Assets/(Liabilities)		1,046		(3,950)
	Total Assets less Current Liabilities		494,791		588,784
16	Creditors: amounts falling due after more than one year		21,390		24,661
			473,401		564,123
17	Provisions for liabilities and charges		277		277
	Net Assets		473,124		563,846
	Capital and Reserves				
18	Called up share capital		37 736		37,708
19	Non distributable - realised profits	421,200		369,931	
19	Non-distributable - unrealised profits	2,904		147,360	
19	Distributable - profit & loss account	11,284		8,847	
			435,388		576,138
	Shareholders' Funds		473,124		563,846

The accounts on pages 33 to 58 were approved by the Directors on 9 January 1991 and were signed on their behalf by

M C Stoddart Chairman

J A L H Mumford Director

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

	£'000	Year to 30 Sept 1990 £'000	£'000	Year to 30 Sept 1989 £'000
Source of Funds				
Profit on ordinary activities		19,158		16,755
Realised profits less losses on disposal of investments and repayments of currency loans		49,125		69,387
Revaluation of foreign currencies		(57)		(307)
Items not Involving the Movement of Funds				
Profits on sale of fixed assets		(39)		—
Depreciation of tangible fixed assets		656		790
Total Funds generated from Operations		68,843		86,625
Funds from other Sources				
Share capital		147		574
Net funds from minorities		3,027		750
Finance leases		9		—
Foreign currency and sterling loans		8,296		22,352
Total Funds Generated		80,322		110,401
Application of Funds				
Dividends paid during the period		8,752		7,669
Taxation paid		2,494		4,687
Repayment of foreign currency and sterling loans		8,194		46,919
Minority dividend		35		—
Net Investment of Funds				
Purchases of fixed assets	171,790		162,750	
Sales of fixed assets at the lower of cost or written down value	(117 708)		(111,021)	
		54,082		51,729
Total Application of Funds		73,557		111,004
Net Source/(Application) of Funds		6,765		(603)
Represented by:				
Increase/(Decrease) in Working Capital				
Current asset investments		(55)		(127)
Debtors		2,163		(1,587)
Creditors		2,127		(3,202)
		4,235		(4,916)
Movement in Net Liquid Funds				
Cash at bank and in hand		2,530		4,313
Increase/(Decrease) in Working Capital		6,765		(603)

1. Income of the Investment Trust

	£'000	Year to 30 Sept 1990 £'000	£'000	Year to 30 Sept 1989 £'000
Franked Investment Income from Fixed Asset Investments				
Unlisted - UK	4,268		7,215	
Listed - UK	7,674		7,066	
		11,942		14,281
Unfranked Investment Income from Fixed Asset Investments				
Unlisted - UK	4,927		3,097	
Unlisted - abroad	2,125		3,080	
Partnership interests - abroad	720		—	
Listed - UK	874		1,477	
Listed - abroad	498		579	
		9,144		8,233
		21,086		22,514
Interest Receivable and Other Income				
Bank interest receivable	842		2,901	
Interest receivable from Group companies	30		772	
Other interest receivable	29		176	
Underwriting commissions	751		494	
Rents receivable	292		187	
Other income	56		175	
		2,000		4,705
		23,086		27,219
Consortium Income		—		354
		23,086		27,573

2. Income of Subsidiary Companies

	£'000	Year to 30 Sept 1990 £'000	£'000	Year to 30 Sept 1989 £'000
Unfranked Investment Income from Fixed Asset Investments				
Unlisted - UK	33		—	
Unlisted - abroad	3		4	
Partnership interests - UK	5,626		1,100	
Partnership interests - abroad	1,675		2,563	
		7,337		3,667
Franked Investment Income from Current Asset Investments				
Unlisted - UK	167		—	
Listed - UK	6		4	
		173		4
		7,510		3,671
Interest Receivable and Other Income				
Bank interest receivable	990		539	
Interest receivable from holding company	117		—	
Other interest receivable	85		31	
Rents receivable	670		794	
Fee income	2,054		1,757	
Investment dealing	224		84	
Underwriting commissions	4		—	
Other income	242		—	
		4,386		3,205
		11,896		6,876

3. Expenses

	Year to 30 Sept 1990 £'000	Year to 30 Sept 1989 £'000
Administrative expenses	8,750	7,520
Directors' remuneration (see note 4)	1,736	1,486
Auditors' remuneration	170	80
Capital repayments on finance leases	4	—
Depreciation	656	790
	11 316	9,876

4. Directors' Remuneration

Directors' fees	73	46
Remuneration of executive Directors	1,134	1,149
Pension contributions	299	291
Compensation for loss of executive office to a former Director	230	—
	1,736	1,486

Emoluments (excluding pension Contributions)

Chairman and highest paid Director	270	241
	Number	Number
Other Directors		
£ 0 - £ 5,000	1	1
£ 5,001 - £ 10,000	—	6
£ 10,001 - £ 15,000	5	—
£ 15,001 - £ 20,000	1	—
£ 40 001 - £ 45,000	1	—
£110,001 - £115,000	1	1
£120,001 - £125,000	—	1
£125,001 - £130,000	—	1
£130,001 - £135,000	1	1
£140,001 - £145,000	1	—
£170,001 - £175,000	—	1
£210,001 - £215,000	1	—
£225 001 - £230,000	1	—
£240,001 - £245,000	—	1

Eight (1989 eight) Directors waived remuneration amounting to £43,000 (1989 £75,000)

5. Employees

	Year to 30 Sept 1990 £'000	Year to 30 Sept 1989 £'000
Emoluments of Employees		
(Including Executive Directors) during the year		
Salaries	4,066	3,266
Social Security costs	354	314
Other pension costs	678	667
	5,098	4,247

The number of employees, other than Directors, who received emoluments (excluding pension contributions) in the following ranges was

	Number	Number
£ 30,001 - £ 35,000	4	1
£ 35,001 - £ 40,000	1	1
£ 40,001 - £ 45,000	—	2
£ 45,001 - £ 50,000	2	—
£ 50,001 - £ 55,000	1	2
£ 55,001 - £ 60,000	1	3
£ 60,001 - £ 65,000	1	—
£ 65,001 - £ 70,000	3	1
£ 70,001 - £ 75,000	—	3
£ 75,001 - £ 80,000	2	2
£ 80,001 - £ 85,000	2	4
£ 85,001 - £ 90,000	1	1
£ 90,001 - £ 95,000	—	1
£ 95,001 - £100,000	4	—
£110,001 - £115,000	1	—
£115,001 - £120,000	1	—
£120,001 - £125,000	1	—
The average weekly number of persons employed by the Group during the year was:	72	65

6. Interest Payable

	Year to 30 Sept 1990 £'000	Year to 30 Sept 1989 £'000
On Loans Repayable within Five Years		
9% promissory notes 1992	2,054	2,179
On Loans Repayable within One Year		
Foreign currency bank loans	1,576	4,652
Bank loans	720	213
Interest payable to Group companies	147	772
Finance charge	10	—
Other loans	1	2
	4,508	7,818

7. Taxation on Profit on Ordinary Activities

Based on the Profits for the Year		
Corporation tax at 35% (1989 35%)	358	192
Overseas taxation	232	777
	590	969
Deferred taxation	603	—
	1,193	969
Tax credits on franked investment income	2,988	3,259
	4,181	4,228
Investment trust	3,236	3,676
Subsidiary companies	945	552
	4,181	4,228

At 30 September 1990 there was a potential liability for Advance Corporation Tax of £Nil (1989 £710,000) on the shortfall of franked investment income after making provision for the proposed final dividend.

There are taxable losses of £Nil (1989 £1,870,000) available to be carried forward against future profits of the Group

8. Profit Attributable to Shareholders

The profit attributable to shareholders includes £11,645,000 (1989 £10,749,000) which has been dealt with in the accounts of the Company

9. Dividends

	per share p	Year to 30 Sept 1990 Cost £'000	per share p	Year to 30 Sept 1989 Cost £'000
Interim	3.00	4,529	2.70	4,063
Proposed Final	3.10	4,679	2.80	4,223
	6.10	9,208	5.50	8,286

10. Earnings per Share

The calculation of earnings per share is based on Group earnings of £14,274,000 (1989 £12,519,000) being the profits attributable to shareholders and on a weighted average of 150,845,127 (1989 150,407,225) ordinary shares of 25p

11. Tangible Fixed Assets

	Group					Company
	Motor vehicles £'000	Short term leasehold improvements £'000	Long term leasehold investment property £'000	Furniture and equipment £'000	Total £'000	Long term leasehold investment property £'000
Cost and Valuation						
At 1 October 1989	627	2,833	2,297	2003	7,760	2,200
Additions	346	48	—	134	528	—
	973	2,881	2,297	2,137	8,288	2,200
Disposals	85	—	—	26	111	—
At 30 September 1990	888	2,881	2,297	2,111	8,177	2,200
Depreciation						
At 1 October 1989	317	397	97	896	1,707	—
Disposals	39	—	—	—	39	—
	278	397	97	896	1,668	—
Charge for period	171	194	—	291	656	—
At 30 September 1990	449	591	97	1,187	2,324	—
Net Book Value						
30 September 1990	439	2,290	2,200	924	5,853	2,200
30 September 1989	310	2,436	2,200	1,107	6,053	2,200
Cost						
30 September 1990	627	2,881	1,686	2,111	7,305	1,017

In accordance with Statement of Standard Accounting Practice No. 19 investment properties are revalued annually by the Directors of the Company at an open market value. Depreciation is not provided in respect of leasehold properties where the unexpired term of the lease is greater than twenty years.

12. Fixed Asset Investments

	Group 30 Sept 1990 £'000	Group 30 Sept 1989 £'000	Company 30 Sept 1990 £'000	Company 30 Sept 1989 £'000
Group Companies at Valuation				
Unlisted - UK	—	—	16,653	6,653
Unlisted - abroad	—	—	7,599	7,599
	—	—	24,252	14,252
Unlisted at Directors' Valuation				
Unlisted Securities Market	6,649	15,148	6,649	15,148
Other - UK	141,251	196,368	140,966	196,345
Other - abroad	61,471	92,194	61,471	92,194
Partnership interests - UK	58,662	9,866	58,622	9,822
Partnership interests - abroad	61,654	61,362	49,362	45,863
	329,687	374,938	317,070	359,372
Listed at Market Value				
UK	123,110	184,842	122,779	184,842
Abroad	27,925	32,068	27,444	32,068
	151,035	216,910	150,223	216,910

	Group £'000	Company £'000
Changes in Investments		
Valuation 1 October 1989	591,848	590,534
Purchases at cost	171,262	168,647
	763,110	759,181
Disposals at valuations at 1 October 1989	120,624	118 076
	642,486	641,105
Decrease in valuation	161,764	149 560
Valuation 30 September 1990	480,722	491 545
Cost at 30 September 1990	508,336	510,717

13. Debtors

	Group 30 Sept 1990 £'000	Group 30 Sept 1989 £'000	Company 30 Sept 1990 £'000	Company 30 Sept 1989 £'000
Amounts Falling Due within One Year				
Sales for future settlement	8,308	2,275	8,308	2,275
Trade debtors	963	925	—	—
Taxation recoverable	1,468	2,564	1,314	2,003
Amounts owed by Group companies	—	—	7,471	8,082
Other debtors	356	898	227	492
Prepayments and accrued income	3,738	7,104	3,025	6,474
	14,833	13,766	20,345	19,326

14. Investments

	Group		Company	
	30 Sept 1990 £'000	30 Sept 1989 £'000	30 Sept 1990 £'000	30 Sept 1989 £'000
Current Asset Investments				
Listed investments at cost	172	227	—	—
Listed investments at market value	172	227	—	—

15. Creditors

Amounts Falling Due within One Year				
Trade creditors	452	277	—	—
Bank loans	18,182	20,962	18,182	20,962
Bank overdrafts	24	—	24	—
Purchases for future settlement	—	2,731	—	2,731
Amounts owed to Group companies	—	—	4,904	4,189
Proposed final dividend	4,679	4,223	4,679	4,223
Taxation	—	12	—	—
ACT payable	316	—	—	—
Other creditors	1,375	1,315	177	132
Accruals	639	270	99	141
	25,667	29,790	28,065	32,378

16. Creditors

Amounts Falling Due after more than One Year				
Lease obligations	40	31	—	—
US $40 million 9% promissory notes repayable 6 June 1992	21 390	24,661	21,390	24,661
	21,430	24,692	21,390	24,661

17. Provisions for Liabilities and Charges

Deferred Taxation				
Short term timing differences	642	—	—	—
Taxation on the excess of the net book value over the written down value for taxation purposes of:				
Long term leasehold investment property	277	277	277	277
Accelerated capital allowances	—	39	—	—
	919	316	277	277
ACT recoverable	(316)	—	—	—
	603	316	277	277

18. Share Capital

	30 Sept 1990 £'000	30 Sept 1989 £'000
Allotted called up and fully paid 150,943,780 (1989 150,832,843) ordinary shares of 25p each	37,736	37 708
Unissued 49,056,220 (1989 49,167,157) ordinary shares of 25p each	12,264	12,292
Authorised 200,000,000 ordinary shares of 25p each	50,000	50,000

During the year 110,937 ordinary shares were issued under the terms of the Electra Investment Trust P L C Executive Share Option Scheme for an aggregate consideration of £147,079

Equity Linked Financing: on 6 June 1985 the Company issued US $40 million, 9 per cent promissory notes 1992 with 20 million warrants attached, the warrants entitling holders to subscribe for 20 million ordinary shares of 25p each Of the warrants issued 18,752,139 may be exercised by either tendering the US $40 million 9 per cent promissory notes at par (US $2 133 per warrant) or by subscribing £1.73 per warrant or a combination of both The balance of 1,247,861 warrants may only be exercised by subscribing £1.73 per warrant.

Contingent Rights to the Allotment of Shares under the Electra Investment Trust Executive Share Option Scheme: Under the terms of the Electra Investment Trust Executive Share Option Scheme there are still outstanding options to subscribe for ordinary shares of 25p each as follows:

Number of Ordinary Shares	Price	Date Granted
47,006	93p	1.8.84
176,336	128p	19.8.85
192,578	135p	12.12.85
463,870	143p	6.8.86
194,120	158p	17.12.86
484 026	216p	29.6.87
329 687	192p	11 2 88
267 131	204p	12 7.88
2,154,754		

19. Reserves

	30th Sept 1990 Group £'000	Company £'000
a. Realised Profits - Non Distributable*		
At 1 October 1989	365 061	369 931
Share premium arising during the year	119	119
Exchange differences arising on consolidation	(1,117)	—
Profit less losses on realisation of investments during the year	47,554	47,885
Profit on part sale of subsidiary	4,260	2,478
Unrealised net appreciation at 1 October 1989 on investments sold during the year	3,027	990
Unrealised net depreciation at 1 October 1989 on currency loans repaid during the year	(146)	(146)
Net deficit on revaluation of overseas bank balances	(57)	(57)
At 30 September 1990	418,701	421,200
b. Unrealised Profits - Non Distributable		
At 1 October 1989	153,288	147,360
Unrealised net appreciation at 1 October 1989 on investments sold during the year transferred to realised profits	(3,027)	(990)
Unrealised net depreciation at 1 October 1989 on currency loans repaid during the year transferred to realised profits	146	146
Decrease in value of fixed asset investments	(161,764)	(149,560)
Profit on revaluation of currency loans	2,736	2,677
Profit on revaluation of 9% promissory notes	3,271	3,271
At 30 September 1990	(5,350)	2,904
c. Profit & Loss Account - Distributable		
At 1 October 1989	11,708	8,847
Exchange differences arising on consolidation	(193)	—
Transfer from profit and loss account	5,066	2,437
At 30 September 1990	16,581	11,284
Total reserves at 30 September 1990	429,932	435,388
Total reserves at 30 September 1989	530,057	526,138

The amount of the reserves of Electra Investment Trust P.L.C. which may legally be distributed under Section 265(1) of the Companies Act 1985 is £11 284,000 (1989 £8,847,000).

*Includes share premium at 30 September 1990 £1 981 000 (1989 £1 8[illegible] 000)

20. Contingent Liabilities and Commitments

The Company has given guarantees to a number of lessors in respect of leases amounting to £551,000 (1989 £920,000). The Company is receiving guarantee commissions.

The Company has undertaken to invest in various syndicates of investors in the USA up to a further US $35,073,000 (1989 US $57,178,000).

The Company has undertaken to invest up to £200,000,000 in Electra Private Equity Partners a new limited partnership fund for unquoted equity related investments in the UK and elsewhere in Europe. At 30 September 1990 £50,000,000 had been committed to the fund (1989 £NIL).

There were future liabilities for calls payable by the Group and the Company in respect of investments amounting to £441,000 (1989 £6,422,000).

The Company has undertaken to make other investments in various companies in the UK and Europe amounting to £9,262,000 (1989 £8,505,000).

The Company has underwriting commitments outstanding of £Nil (1989 £1,012,000).

The Group is committed to pay rental instalments in the next year on the land and buildings it occupies of £986,000 (1989 £986,000). The lease expires after more than 5 years.

21. Directors' Interests

The interests of the Directors and of their families, all of which are beneficial except where noted, in the share capital of Electra Investment Trust P.L.C. (EIT) and of Electra Kingsway Managers Holdings Limited (Electra Kingsway) are set out below. Other than as disclosed no Director had any notifiable interest in the securities of any subsidiary of EIT.

	Number of Ordinary Shares in EIT 30.9.90	Number of Ordinary Shares in EIT 1.10.89	Options over Ordinary Shares in EIT 30.9.90	Options over Ordinary Shares in EIT 1.10.89	Exercise Periods	Exercise Price	Number of 'A' Ordinary Shares in Electra Kingsway 30.9.90	Number of 'A' Ordinary Shares in Electra Kingsway 1.10.89
MC Stoddart	74,919	78,337	27,080	27,080	19 8 88 - 19 8 92	128p	103 500	103,500
	12 359†	13,894†	51,851	51,851	12 12 88 - 12 12 92	135p		
	4,271*	6,151*	48,962	48,962	6 8 89 - 6 8 93	143p		
	91,549	98,382	74 067	74,067	29.6 90 - 29.6 94	216p		
			98,040	98,040	12 7 91 - 12.7.95	204p		
MJ Bentley	5,000	5,000	250,000	250,000	6.8 89 - 6 8 93	143p	81,075	81,075
	4,026*	4,026*	63,291	63,291	17.12 89 - 17 12.93	158p		
	9,026	9,026	27,778	27,778	29.6.90 - 29.6 94	216p		
			39,215	39,215	12.7 91 - 12 7 95	204p		
Lord Vinson	20,000	20,000	—	—			—	—
CH Black	20,000	6,000	—	—			—	—
CT Clague	—	1,953	18,533	18,533	29.6 90 - 29.6.94	216p	50 100	50,100
	3,162*	4,854*	19,593	19,593	12.7.91 - 12.7.95	204p		
	3 162	6,807						
BP Jenks	3,000	3,000	—	—			—	—
L Levy	50,000	50,000	—	—			—	—
RG Morris	8,357	7,135	13,844	13,844	17.12.89 - 17.12.93	158p	55,275	55,275
	3 477*	4,693*	71,471	71,471	29 6.90 - 29.6.94	216p		
	11 834	11,834	19,608	19,608	12.7 91 - 12 7.95	204p		

Directors' Interests

	Number of Ordinary Shares in EIT		Options over Ordinary Shares in EIT		Exercise Periods		Exercise Price	Number of 'A' Ordinary Shares in Electra Kingsway	
	30.9.90	1.10.89	30.9.90	1.10.89				30.9.90	1.10.89
HALH Mumford	6,761	5,257	62,503	62,503	19.8.88 -	19.8.92	128p	67,350	67,350
	3,589*	5,093*	59,235	59,235	12.12.88	12.12.92	135p		
	10,350	10,350	27,994	27,994	6.8.89 -	6.8.93	143p		
			25,306	25,306	17.12.89 -	17.12.93	158p		
			37,045	37,045	29.6.90 -	29.6.94	216p		
			29,396	29,396	12.7.91 -	12.7.95	204p		
DF Osborne	1,068	1,000	140,625	140,625	11.2.91 -	11.2.95	‡192p	36,300	36,300
	956*	956*	7,352	7,352	12.7.91 -	12.7.95	204p		
	2,024	1,956							
BK Peppiatt	43,120	3,120	—	—				—	—
JM Pickard	11,000	11,000	—	—				—	—
Sir Christopher Wates	100,000	69,000	—	—				—	—

* held by the Trustees of the Electra Investment Trust Employee Share Scheme, subject to the provisions of that Scheme

† Non beneficial

‡ The exercise periods shown were applicable when the options were granted. The Directors listed are now required to exercise these options before 13th September 1991

In addition to the options detailed above there were outstanding options over a total of 941,965 ordinary shares held by executives of Electra Kingsway and by former executives of EIT. Options in respect of 289,476 ordinary shares held by former executives are exercisable during various periods to 12th July 1995 at prices between 93p and 216p while options in respect of 652,489 ordinary shares held by executives of Electra Kingsway are exercisable before 13th September 1991 at prices between 93p and 216p.

22. Other Financial Commitments

The Company has agreements with Electra Kingsway Managers Holdings Limited (Electra Kingsway) and its subsidiary companies for the management of the Company's investment portfolio and has agreed to invest £200 million in Electra Private Equity Partners (EPEP)

The principal arrangements in respect of such agreements are

(i) a Master Agreement dated 9 August 1989 between the founder shareholders of Electra Kingsway (including certain Directors of the Company), the Company and Electra Kingsway pursuant to which, inter alia, the Company agreed (a) to sell Electra Management Services Limited (EMSL) to Electra Kingsway in consideration of £3 25 million and the issue to the Company of 1,500,000 'A' preference shares, 7,598 'B' preference shares and 1,871,249 'C' ordinary shares in Electra Kingsway and (ii) to invest £200 million in EPEP;

(ii) a Management Agreement dated 9 August 1989 between the Company and EMSL pursuant to which EMSL agreed to manage the Company's portfolio of investments in consideration of a management fee of 1 5% p a of the value of such portfolio less a deduction of 1.75% p.a. of the Company's £200 million commitment to EPEP and less £3,592,000 p a (subject to *downward adjustment*);

(iii) a Partnership Agreement dated 13 September 1989 between Electra Kingsway General Partner Limited, Brookchot Limited, Electra Kingsway Trustee Limited and the Company whereunder, inter alia;

a. a subsidiary of Electra Kingsway is entitled to a priority share of profits equal to 1.75% p.a. of the total commitment to EPEP, and

b. the Company and a company wholly owned by the executives of Electra Kingsway (including certain Directors of the Company) are each entitled to 10% of any realisations of capital and income of EPEP (other than the proportion attributable to the Company's investment in EPEP) in excess of the amounts applied in repaying the loan element *of participations* in EPEP. This entitlement will not accrue until all the investors in EPEP (other than the Company) have recovered a compound return in addition to the repayment of the loan elements comprised in their participations in EPEP.

23. Transactions with Officers

Included in other debtors are loans to two (1989 two) officers amounting to £3,388 (1989 £3,388)

24. Transactions with Directors

There were no transactions with Directors during the year.

25. Pension Costs

The Group provides pension arrangements for the majority of staff (with the exception of the Chairman) based on *final pensionable pay* Since 1 August 1990 this has been through an occupational pension scheme operated solely for employees of the Group. Prior to that date the Group participated in the Electra House Retirement Benefits Plan

The assets of both the schemes are held by trustees, separately from the assets of the Group, being invested in a portfolio of investments Contributions to the schemes are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the Group The contributions to the new scheme are determined by a qualified actuary on the basis of biennial valuations *using the projected unit method*

The most recent valuation carried out to determine the contribution requirements in respect of the Group's employees was carried out as at *1 April 1989 using* the projected unit method The assumptions which have the most significant effect on the results are those relating to the rate of return on investments and the rate of increase in pensionable salaries. Such valuation assumed that the investment return would be 8.5% p.a. and that salary increases would average 7.5% p.a

The actuarial valuation showed that the market value of the assets of the Electra House Retirement Benefits Plan at 1 April 1989 so far as applicable to members of the Group was £2,997,339 and that the *actuarial value of* those assets was 111% of the value of the total liabilities which had accrued to members allowing for expected future increases in earnings.

Based on the results of that valuation the pension cost for the year ended 30 September 1990 was £677,590.

26. Particulars of holdings in principal subsidiary, associated and other companies

All companies are incorporated in Great Britain unless otherwise stated All companies operate in their country of incorporation

Principal Subsidiaries

All subsidiaries are wholly owned and held directly by the Company (except where indicated)

Albion (Electra) Ltd

5 ordinary shares of US$1.00 (par value) Paid in capital US$11,565,002

Incorporated in the Commonwealth of the Bahamas

Electra Holdings Inc

2,147 shares of US$0 10 (par value) Paid in capital US$858,585

Incoporated in the state of Delaware in the USA

Electra Innovtec Limited (60% held by a subsidiary)

100 'A' ordinary shares of £1 *(held by third parties)*

150 'B' ordinary shares of £1 (held by a subsidiary)

Electra Investments Limited

87 030 ordinary shares of £10

26. contd Particulars of holdings in principal subsidiary, associated and other companies

Electra Inc

500 shares of US$0 01 Paid in capital US$49 995

Incorporated in the state of Delaware in the USA (held by a subsidiary)

Electra Kingsway Limited

7,500 ordinary shares of £1 (held by a subsidiary)

Electra Kingsway Managers Holdings Limited

750,000 'A' ordinary shares of 5p (held by third parties)

1,128,750 'B' ordinary shares of 2p (held by third parties)

1,871,250 'C' ordinary shares of 2p

1,500,000 'A' preference shares of £1

7,596 'B' preference shares of 1p

Electra Kingsway Managers Limited

200 ordinary shares of £1 (held by a subsidiary)

Electra Kingsway Quoted Management Limited

2 ordinary shares of £1 (held by a subsidiary)

Electra Leisure Group Limited

204,000 'B' ordinary shares of 20p (held by a subsidiary)

45,000 'A' ordinary shares of £1 (held by third parties)

6 000 'C' ordinary shares of £1 (held by third parties)

Electra Risk Capital P L C

50,000 ordinary shares of £1

Electra Securities Limited

100,000 ordinary shares of £1

Principal associated companies incorporated in Great Britain

	Total capital and reserves	Percentage of share and loan capital held by the company
Aviation Holdings PLC		
Ordinary shares of US$0 10	$250,000	20.00
'A' shares of US$0 10	$8,060,680	18 09
12 75% preference shares of £1	£50,000	—
12 75% convertible unsecured loan stock 2009	$80,606,800	29.31
Profit for the financial year	*$18,814,000*	—
Reserves at 30 September 1990	$88,621,000	—

26. contd Principal associated companies incorporated in Great Britain

	Total capital and reserves	Percentage of share and loan capital held by the company
Electra Property Finance Limited		
Ordinary shares of £1	£'00	50 00
'A' ordinary shares of £1	£14,186	56 00
'A' 12 5% preference shares of £1	£8,000,000	100 00
'B' 12.5% preference shares of £1	£2 000,000	—
13% unsecured loan	£10,000,000	—
Profit for the financial year	£1,734,106	—
Reserves at 31 March 1990	£3,438,985	—
Nimex Resources Limited		
Founder shares of £1	£100,000	—
Ordinary shares of £1	£9,900,000	24.97
Cumulative redeemable preference shares of 10p	£3,960,000	24.97
Profit for the financial year	£2,451,000	—
Reserves at 31 December 1989	£51,916,000	—
Porter & Haylett Limited		
Ordinary shares of £1	£1,350,000	34.63
Redeemable ordinary shares of £1	£100,000	50.00
Profit for the financial year	£705,961	—
Reserves at 31 October 1989	£2,022,008	—
Thamesorb Properties Limited		
Ordinary shares of £1	£1,000	37.50
'A' ordinary shares of '	1	—
'B' preferred ordinary shares of £1	1	—
'C' preferred ordinary shares of £1	1	—
'X' preferred ordinary shares of £1	1	100.00
'Y' preferred ordinary shares of £1	1	100.00
Secured loan stock	£21 600,000	50.00
(No accounts yet produced)		

26. contd **Principal associated companies incorporated abroad**

	Total capital and reserves	Percentage of share and loan capital held by the company
CDP International SA (Incorporated in Luxembourg)		
Class 'A' common stock of US$1	$240,000	17 45
Class 'C' common stock of US$1	$40,000	—
Class 'D' common stock of US$1	$50,000	—
Series i cumulative redeemable convertible		
preferred stock of US$1	$110,000	44 09
Loss for the financial year	($1,338,802)	—
Reserves at 31 December 1989	$8,785,247	—
Esmark Aquisition Corporation		
(Incorporated in the USA)		
Class 'A' common stock US$0.01	$104	—
Convertible cumulative preferred stock of US$0.01	$100	100 00
(No accounts yet produced)		
Flex Holding BV (Incorporated in the Netherlands)		
Ordinary shares of DFL10	DFL7,691,429	25 77
8% subordinated debt	DFL24,465,789	27 47
Loss for the financial period	(DFL1,165,098)	—
Reserves at 31 December 1989	(DFL53,679,686)	—
Orthofix International Investments NV (Incorporated in the		
Netherlands)		
Preference shares of US$10	$5,000,000	29.29
Redeemable preferences shares of US$10	$5,000,000	29.29
Unsecured loan	$4,350,000	27.38
(No accounts yet produced)		

26. contd Other companies incorporated in Great Britain

Other companies incorporated in Great Britain

At 30 September 1990 the Company had interests in 20 per cent or more in nominal value of securities in the following companies which are not considered to be associated companies

	Total capital and reserves	Percentage of share and loan capital held by the Company
Berkertex Holdings Limited		
Ordinary shares of £1	£80,000	3 55
Convertible cumulative participating preferred		
ordinary shares of £1	£763,000	24 97
9% cumulative redeemable preference shares of £1	£3,999,000	27 75
'A ordinary shares of £1	£157,000	21 79
Convertible cumulative redeemable preference shares of £1	£2,000,000	27 75
12% unsecured loan stock	£4,000,000	29.48
Profit for the financial year	£669,000	—
Reserves at 27 January 1990	(£6,146,000)	—
GBE International PLC		
Ordinary shares of £1	£250,000	—
Convertible participating preferred ordinary shares of 10p	£375,000	26.00
Cumulative redeemable preference shares of £1	£3,000,000	25.00
Loss for the financial year	(£367,000)	—
Reserves at 31 December 1989	£8,387,000	—

Other companies incorporated in Great Britain

At 30 September 1990 the Company had interests in 10 per cent. or more in nominal value of securities in the following companies

	Holding as percentage in each class of capital
BPCC Limited	
Ordinary shares of 1p	·1 £
Cumulative convertible participating preferred	
ordinary shares of 1p	21 05
Cumulative redeemable 'A' preference	
shares of 1p each	13 06
Candover Investments Plc	
Ordinary shares of 25p	13.70

26. contd Other companies incorporated in Great Britain

	Holding as percentage in each class of capital
The Charter Reinsurance Group Limited	
Ordinary shares of £1	13 15
14% convertible redeemable cumulative preference shares of £1	13 01
Kapiti Limited	
Ordinary shares of £1	11 99
Parker Pen Limited	
'B' ordinary shares of £1	16 85
UGC Limited	
Ordinary shares of 5p	17 54
United Machinery Group Limited	
'D' ordinary shares of 1p	17 14
'E' ordinary shares of 1p	1 07
Deferred ordinary shares of 1p	6 19
Preference shares of 1p	17 14

Company incorporated abroad

At 30 September 1990 the Company had interests of more than 10 per cent in the share capital of the following company which is incorporated in the USA

ACT III Cinemas Inc	
Series 'A' convertible preferred stock	32.05
Common stock of US$0.10	3 76

Percentages based on valuations at 30 September 1990

Equities
Capital Goods

		Great Britain	USA	Others	Total 1990	Total 1989
Building Materials	Unlisted	0.00	0.02	0.00	0.02	0.40
	Listed	0.95	0.00	0.00	0.95	1.98
Contracting & Construction	Unlisted	0.63	0.00	0.00	0.63	0.24
	Listed	1.76	0.00	0.00	1.76	3.13
Electricals	Unlisted	0.35	0.00	0.00	0.35	0.39
	Listed	0.61	0.00	0.00	0.61	0.00
Electronics	Unlisted	0.69	0.00	0.03	0.72	0.96
	Listed	2.28	0.00	0.00	2.28	2.74
Mechanical Engineering	Unlisted	0.00	0.00	0.05	0.05	0.19
	Listed	1.88	0.08	0.00	1.96	3.63
Metals & Metal Forming	Unlisted	0.87	0.09	0.00	0.96	0.98
	Listed	0.40	0.00	0.00	0.40	0.93
Motors	Unlisted	1.85	0.50	0.00	2.35	2.93
	Listed	0.45	0.00	0.00	0.45	0.96
Other Industrial Materials	Unlisted	1.37	0.31	0.00	1.68	2.74
	Listed	0.42	0.16	0.00	0.58	1.13
		14.51	1.16	0.08	15.75	23.33

CLASSIFICATION AND DISTRIBUTION OF THE INVESTMENTS OF THE GROUP

Consumer Groups

		Great Britain	USA	Others	Total [illegible]	Total [illegible]
Brewers and Distillers	Unlisted	0.00	0.00	0.00	0.00	1.47
	Listed	1.26	0.00	0.00	1.26	1.50
Food Manufacturing	Unlisted	0.10	0.16	0.00	0.26	0.25
	Listed	0.00	0.00	0.00	0.00	0.00
Food Retailing	Unlisted	0.24	0.00	0.00	0.24	0.46
	Listed	0.52	0.00	0.00	0.52	0.93
Health & Household Products	Unlisted	1.12	0.33	0.76	2.21	2.40
	Listed	0.00	0.27	0.00	0.27	1.01
Leisure	Unlisted	1.58	0.68	0.00	2.26	3.28
	Listed	2.07	0.10	0.00	2.17	1.70
Newspapers & Publishing	Unlisted	1.40	0.00	0.67	2.07	1.19
	Listed	0.00	0.00	0.00	0.00	0.16
Packaging & Paper	Unlisted	0.18	0.47	0.00	0.65	0.92
	Listed	0.00	0.24	0.00	0.24	1.85
Stores	Unlisted	1.08	1.67	0.00	2.75	2.70
	Listed	0.73	0.08	0.00	0.81	1.38
Textiles	Unlisted	0.64	0.29	0.00	0.93	1.33
	Listed	0.00	0.00	0.00	0.00	0.00
Other Consumer Goods	Unlisted	3.03	0.96	0.00	3.99	3.24
	Listed	1.12	0.12	0.00	1.24	0.00
		15.07	5.37	1.43	21.87	25.77

Other Groups

		Great Britain	USA	Others	Total [illegible]	Total [illegible]
Agencies	Unlisted	0.00	0.00	0.54	0.54	0.42
	Listed	0.00	0.00	0.00	0.00	0.23
Chemicals	Unlisted	0.00	0.04	0.00	0.04	0.00
	Listed	0.47	0.00	0.00	0.47	0.57
Public Utilities	Unlisted	0.00	0.00	0.00	0.00	0.00
	Listed	0.70	0.25	0.00	0.95	0.00
Shipping & Transport	Unlisted	0.00	0.00	0.00	0.00	4.40
	Listed	0.00	0.28	0.00	0.28	0.36
Telephone Networks	Unlisted	0.00	0.06	0.00	0.06	0.00
	Listed	0.00	0.00	0.00	0.00	0.11
Miscellaneous	Unlisted	0.99	0.07	0.14	1.20	5.10
	Listed	5.27	1.15	1.44	7.86	4.18
		7.43	1.85	2.12	11.40	15.37
Oil	Unlisted	4.72	0.56	0.00	5.28	2.84
	Listed	0.12	1.25	0.00	1.37	0.46
		4.84	1.81	0.00	6.65	3.30

CLASSIFICATION AND DISTRIBUTION OF THE INVESTMENTS OF THE GROUP

Equities

Financial Group

		Great Britain	USA	Others	Total 1990	Total 1989
Banks	Unlisted	0 00	0 00	0 00	0 00	0 00
	Listed	0.00	0 06	0.00	0 06	1 16
Life Insurance	Unlisted	0 00	0 17	0 00	0 17	0 00
	Listed	0 00	0 00	0.00	0 00	0 18
Insurance Composite	*Unlisted*	*2 70*	*0 24*	*0 00*	*2 94*	*2 26*
	Listed	0 00	0 13	0 00	0 13	0 00
Insurance Brokers	Unlisted	0.24	0.00	0 00	0 24	0 18
	Listed	0 21	0 00	0.00	0 21	0 53
Merchant Banks & Issuing Houses	Unlisted	0 00	0 00	0.00	0 00	0 00
	Listed	0 00	0.00	0 00	0 00	0.68
Property	Unlisted	2.32	0.98	0.11	3 41	5 82
	Listed	0.21	0.00	0.00	0.21	0.99
Other Financial	Unlisted	6.8[illegible]	14.87	0 87	22.61	16 25
	Listed	2.90	0 00	0.00	2 90	3 67
		15.45	16 45	0 98	32 88	31 72
Electra Private Equity Partners	Unlisted	9.97	0.00	0.00	9 97	0.00
Total Equities		*67.27*	*26.64*	*4.61*	*98 52*	*99 49*
Fixed Interest						
Government Securities	Listed	0.00	0.00	0.00	0.00	0.13
Debentures & Loans	Listed	0.27	0.00	0.06	0.33	0.23
Preference	Listed	1 01	0 14	0.00	1 15	0.15
Total Fixed Interest		1.28	0 14	0.06	1.48	0.51
Totals 1990		68.55	26 78	4 67	100.00	—
Totals 1989		68.61	28.04	3.35	—	100.00

The Group invests in various forms of equity and loan capital. All forms of investments in an unlisted company have been treated as equity investments for the purposes of the above classification

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the fifty-sixth *Annual General Meeting* of Electra Investment Trust P.L.C. will be held at 12.15 pm on Wednesday 13 February 1991 at 65 Kingsway, London WC2,

to lay *before the members* of the Company the Group accounts for the year ended 30 September 1990 together with the Reports of the Directors and Auditors thereon,

to declare a dividend,

to re-elect Directors

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

to transact any other ordinary business of the Company

By Order of the Board of Directors

P J Dyke, Secretary, 65 Kingsway, London WC2B 6QT.

9 January 1991

Notes

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

2. 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 *Annual General Meeting*.

3. Directors' service contracts will be available for inspection at the Company's registered office until the time of the *Annual General Meeting* during usual business hours on any weekday (Saturdays excepted); they will also be available at the place of the Annual General Meeting at least fifteen minutes prior thereto and during the meeting.