

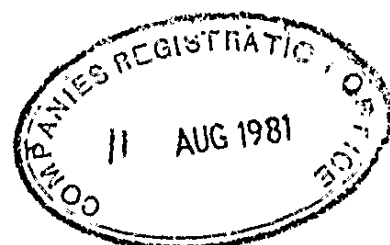
Henry Ansbacher Holdings Limited

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Notice of Meeting

Notice is hereby given that the Annual General Meeting of the Members of the Company will be held at the Solicitors' Hall, 1 London Wall, London EC2 on Monday, 13th July, 1981 at 12.15 p.m. for the following purposes:

1. To receive and consider the Reports of the Directors and Auditors and the Accounts for the year ended 31st March, 1981.
2. To declare a dividend.
3. (a) To re-elect Mr. C. J. Smith as a Director of the Company.
(b) To re-elect Mr. F. R. Welsh as a Director of the Company.
4. To elect the Auditors and to authorise the Directors to fix the Auditors' remuneration for the ensuing year.

By Order of the Board,
P. Ballard, Secretary,
One Noble Street,
London EC2V 7JH
19th June, 1981

Notes

1. A Member entitled to attend and vote at the above Meeting may appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a Member of the Company.
2. The form of proxy should be lodged with the Company's Registrars, The General Agency & Trust Limited, Bourne House, 34 Beckenham Road, Beckenham, Kent BR3 4TU at least forty-eight hours before the time fixed for holding the Meeting.
3. A corporation present by a representative or proxy not being himself a Member shall be entitled to vote on a show of hands.
4. The following documents are available for inspection at the Company's registered office between 19th June, 1981 and 10th July, 1981 during business hours on any weekday (Saturdays excluded) and at the place of the Annual General Meeting on 13th July, 1981 from 11.15 a.m. until the conclusion of the Meeting:
(a) Copies of Directors' contracts of service.
(b) Particulars of transactions by Directors and their family interests in the shares of the Company.
(c) A statement of the particulars of transactions, arrangements and agreements between the Company and its Directors.

Henry Ansbacher Holdings Limited

Directors and Officers

Directors:

Sir Samuel Goldman, KCB (Chairman)
J. M. Button
W. Griessmann (Brazil)
C. J. Smith, CA
F. R. Welsh
C. C. P. Williams, CBE

Secretary:

P. Ballard, FCIS

Registered office:

One Noble Street,
London EC2V 7JH
Telephone: 01-606 4010
Telex: 884580 and 886738
Cables: Ansbacher London EC2

Bankers:

Henry Ansbacher & Co. Limited,
One Noble Street,
London EC2V 7JH

Registrars:

The General Agency & Trust Limited,
Bourne House,
34 Beckenham Road,
Beckenham,
Kent BR3 4TU

Auditors:

Peat, Marwick, Mitchell & Co.,
1 Puddle Dock, Blackfriars,
London EC4V 3PD



Chairman's Statement

The past year has seen a consolidation of the gains made in previous years as well as an increase in the volume of business in all sections of the Group's activities. Much effort has been devoted to containing overhead costs in the face of strong inflationary pressures.

As a result, after taking into account loan recoveries and necessary provisions Group operating profit for the year ended 31st March amounted to £867,000 compared with £814,000 last year. After tax, minority interest and extraordinary items the attributable profit of the Group amounts to £809,000 against £785,000 in 1980. In the light of these results and bearing in mind the need to reinforce the Group's financial strength your Directors recommend payment of a dividend of 3 per cent, as last year, absorbing £148,000 and leaving an unappropriated surplus of £661,000 to be added to reserves.

The results of the last year while not unsatisfactory emphasise the need to seek new opportunities for expanding the scope and activities of the Group, and I refer later to some developments in this field.

I now deal with the main events of the past year in greater detail.

Henry Ansbacher & Co. together with its subsidiaries once again reported increased operating profits. High interest rates, increased lending and a greater volume of foreign exchange business helped to raise gross revenues.

Deposits showed a substantial rise from £44 million to £52 million and in face of the growing depression in the economy as a whole commercial loans and advances went up by over £3 million to more than £19 million – a creditable performance. Our Corporate Finance Department is developing well and I am glad to report that the application by Television South for the franchise covering the South and South East of England made with our support was successful.

At the end of the year Mr. Lockyer-Nibbs and Mr. Chapman retired as Directors of Henry Ansbacher & Co. after long service with the Bank. The Board would like to place on record its appreciation of their services and their contribution to the Bank's growth over the past few years.

Ansbacher (C.I.) in Guernsey has had another successful year producing a further increase in profits.

Ansbacher Investment Management is now a wholly owned subsidiary of the Group. It operates within the main office of the Bank and the expected economies from its integration are being achieved.

A new venture has been the creation

of Ansbacher Leasing, a wholly owned subsidiary of the Bank formed to provide a service complementary to the Bank's other facilities. It is too early to report on its progress but I am confident it will make a useful contribution to Bank profits.

Another important development has been the formation of Smith Rea Energy Associates in which the Company owns 60 per cent of the capital. It is managed by Mr. Norman Smith, a former Director General of the Department of Energy Offshore Supplies Office, and Mr. Leonard Rea, previously an executive in the same Office. Both bring their considerable expertise to the new enterprise which is designed to provide a full range of services to the energy and energy-related industries. It has brought the Group into active participation in the most rapidly growing sector of the United Kingdom economy.

So far as past transactions are concerned, the outstanding debt of the Eastwood Group was reduced to £180,000 adequately covered by funds and securities held against it. The amount due from R. Fraser Securities (a former subsidiary sold in 1978) was reduced from £974,000 to £300,000 which is expected to be repaid in full within two years. Both developments have strengthened the Group's financial resources. As these matters relating to the past have now been settled I do not expect to have to refer to them again. The unallocated provision reduced last year to £100,000 will be retained for the time being as a matter of prudence.

Future prospects

As foreshadowed in my last report interest rates have fallen from their damagingly high level in the last few months and may fall still further. This tends to reduce the immediate return on our capital and reserves and puts a premium on skilful management of our liquid assets. We can look forward to continued growth of our commercial loan book as well as to larger fee income from the Corporate Finance Department, though such income is well known to be irregular. Against this there is the constant struggle to keep overheads and costs generally within bounds and to mitigate the effects of inflationary rises on net operating profits. All in all I am confident of the Group's capacity to expand further on sound and profitable lines.

I must again express the gratitude of the Board to the staff for their loyalty and their continued efforts as members of a united team which can face the future with confidence.

SAMUEL GOLDMAN

Directors' Report

Your Directors present their report together with the audited accounts of the Company and consolidated accounts of the Group for the year ended 31st March, 1981.

Principal activity

The principal activity of the Group during the year has been merchant banking in the United Kingdom and the Channel Islands.

Results for the year

The results of the Group for the year are disclosed in the consolidated profit and loss account. The unappropriated surplus of £660,907 (1980: £639,314) attributable to the Group has been taken to reserves.

Dividend

Your Directors recommend that a first and final dividend of 3 per cent for the year to 31st March, 1981 be paid. If approved at the Annual General Meeting to be held on Monday 13th July, 1981, this dividend will be received by the Members together with an associated tax credit of 1.29 per cent and will be paid on 14th July, 1981 to holders of shares on the Register at close of business on 19th June, 1981.

Capital

On 15th July, 1980 the ordinary share capital was increased by the issue of 1,050,000 shares of 5p each as part of the consideration for acquiring the minority interest in Frasers Holdings Limited, the former holding company of Ansbacher Investment Management Limited. A value of £141,750 was attributed to the shares issued.

Subsidiary companies

In July, 1980 the 30 per cent minority interest in Frasers Holdings Limited was acquired.

In January, 1981 a 60 per cent interest was taken in Smith Rea Energy Associates Limited, a joint venture with the shareholder directors of that company.

In March, 1981 the Group's interest in Nazeing Investments Limited (previously known as Henry Ansbacher Investments Limited) was sold.

Status

The Directors consider the Company was not a close company within the meaning of the Income and Corporation Taxes Act 1970 at 31st March, 1981 and that there has been no change in that respect since that date.

Directors and their interests in shares

During the year Sir Maxwell Joseph retired having attained the age of 70. The Directors of the Company at the end of the year and their interests in the shares of the Company, all of which were beneficial, as declared pursuant to their obligations under Section 27, Companies Act 1967, were as follows:

	31st March 1981 No. of Shares	31st March 1980 No. of Shares
Sir Samuel Goldman	Nil	Nil
J. M. Bulton	35,000	35,000
W. Griessmann (Brazil)	Nil	Nil
C. J. Smith	Nil	Nil
F. R. Welsh	Nil	Nil
C. C. P. Williams	Nil	Nil

There have been no changes in the above mentioned shareholdings during the period since 31st March, 1981 and the date of this Report.

Mr. C. J. Smith and Mr. F. R. Welsh will retire by rotation at the Annual General Meeting, and, being eligible, will offer themselves for re-election.

Directors' interests in contracts

Transactions with Directors are set out in note 13. No other contracts of significance in which a Director had a material interest, except service contracts, subsisted at the end of the year or at any time during the year.

Substantial holders of shares

So far as the Directors are aware, the only persons who held or were beneficially interested in 5 per cent or more of the issued share capital of the Company at 31st March, 1981 and at the date of this Report were as follows:

	%
Associated Metals & Minerals Corporation	49.04
Grand Metropolitan Limited	18.65
Barclays Nominees (M & G Group) Limited	9.78

Auditors

The Auditors, Peat, Marwick, Mitchell & Co., have expressed their willingness to continue in office and a resolution for their re-appointment will be proposed at the forthcoming Annual General Meeting.

By Order of the Board,
P. Ballard,
Secretary,
27th May, 1981



Auditors' Report

to the Members of Henry Ansbacher Holdings Limited

We have audited the accounts on pages 7 to 17 in accordance with approved Auditing Standards.

In our opinion the accounts, which have been prepared on the basis of the accounting policies set out on page 12, give a true and fair view of the state of affairs of the Company and of the Group at 31st March, 1981 and of the profit and source and application of funds of the Group for the year to that date and comply with the Companies Acts 1948 to 1980.

In our opinion the current cost accounts set out on pages 18 to 20 have been properly prepared in accordance with the accounting policies and methods set out on page 20 to give the information required by Statement of Standard Accounting Practice No. 16.

Peat Marwick Mitchell & Co

London
27th May, 1981

Peat, Marwick, Mitchell & Co.
Chartered Accountants

Consolidated Profit and Loss Account

for the year ended 31st March, 1981

	Notes	1981 £	1980 £
Operating profit	1, 2	866,922	814,324
Taxation	3	195,110	162,762
Profit after taxation		<u>671,812</u>	<u>651,562</u>
Minority interest		4,244	7,621
Profit before extraordinary items		<u>667,568</u>	<u>643,941</u>
Extraordinary items	4	141,295	141,754
Net surplus attributable to the Group	5	<u>808,863</u>	<u>785,695</u>
Dividend proposed		147,956	146,381
Unappropriated surplus for the year	8	<u>£660,907</u>	<u>£639,314</u>
Earnings per share	6	0.68p	0.77p
Fully diluted earnings per share	6	0.68p	0.66p

The attached notes form part of these accounts.

Consolidated Balance Sheet

at 31st March, 1981

	Notes	1981 £	1980 £
Capital and reserves			
Share capital	7	4,931,877	4,879,377
Reserves	8	3,029,480	2,427,777
		<u>7,961,357</u>	<u>7,307,154</u>
6½ % Debenture stock 1981/86	9	220,000	220,000
Minority interests		2,000	20,368
Deferred taxation		—	11,250
Future taxation		123,500	90,000
Acceptances for customers		2,244,037	2,072,609
Current liabilities			
Current, deposit and other accounts		52,326,793	44,305,394
Current taxation		158,469	121,163
Proposed dividend		147,956	146,381
Unallocated general provision		100,000	100,000
		<u>£63,284,112</u>	<u>£54,394,319</u>

The attached notes form part of these accounts.

	Notes	1981 £	1980 £
Current assets			
Balances with banks and money at call		6,732,475	4,759,954
Bank certificates of deposit, treasury bills and bills discounted		16,904,199	14,752,269
Money at short notice		6,070,744	6,573,755
Other loans to banks and finance houses		8,141,052	5,877,898
Investments	10	15,822	19,792
		<u>37,864,292</u>	<u>31,983,668</u>
Loans, advances and other accounts less provisions		19,983,071	17,445,720
Liability of customers for acceptances		2,244,037	2,072,609
Investments	10	2,735,272	2,722,127
Leasing assets	11	99,422	—
Fixed assets	12	358,018	170,195
		<u>£63,284,112</u>	<u>£54,394,319</u>

Henry Anstee & Co Holdings Limited

Balance Sheet

at 31st March, 1981

	Notes	1981 £	1980 £
Capital employed			
Share capital	7	4,931,877	4,879,377
Reserves	8	2,224,756	2,242,776
		<u>£7,156,633</u>	<u>£7,122,153</u>
Represented by:			
Current assets			
Cash on deposit		600,000	55,753
Debtors		<u>1,058</u>	<u>—</u>
		601,058	55,753
Current liabilities			
Proposed dividend		147,956	146,381
Taxation		<u>63,410</u>	<u>53,735</u>
		211,366	200,116
Net current assets (liabilities)		<u>389,692</u>	<u>(144,363)</u>
Subsidiary companies			
Shares at cost less provisions		9,687,068	9,484,068
Amounts due to subsidiaries		<u>(2,920,127)</u>	<u>(2,217,552)</u>
		6,766,941	7,266,516
		<u>£7,156,633</u>	<u>£7,122,153</u>

Samuel Goldman

C. C. P. Williams

Directors

The attached notes form part of these accounts.

Consolidated Statement of Source and Application of Funds

for the year ended 31st March, 1981

	1981		1980	
	£	£	£	£
Source of funds:				
Profit before taxation less minority interest	862,678		806,703	
Adjustment for items not involving the movement of funds:				
Provisions	66,308		250,000	
Depreciation	109,948		45,910	
Other items	30,457		(12,025)	
Funds generated from operations		1,069,391		1,090,588
Funds from other sources:				
Proceeds on disposal of investments and fixed assets	313,069		1,399,509	
Issue of shares	141,750		4,200,000	
Net proceeds on sale of subsidiary	109,222		395,495	
		564,041		5,995,004
		1,633,432		7,085,592
Application of funds:				
Dividend paid	146,381		—	
Taxation	174,945		110,495	
Purchase of investments, leasing assets and fixed assets	710,988		3,565,673	
Repayment of variable rate loan notes	—		4,200,000	
Legal costs of extending lease, acquiring minority interest and capital reconstruction	25,201		96,553	
Purchase of goodwill on acquisition of minority interest in subsidiary (see below)	148,454		—	
		1,205,969		7,972,721
Increase (decrease) in working capital		£427,463		£(887,129)
Represented by:				
Increase in loans and advances before provisions		2,564,268		146,373
Increase in deposits and other accounts		(8,021,399)		(5,682,865)
Increase in liquid and other banking assets		5,894,594		4,649,363
		£427,463		£(887,129)
Analysis of the acquisition of minority interest in Franers Holdings Limited:				
	£	£		
Consideration paid		168,566		
Share capital	1,500			
Reserves	18,612			
		20,112		
Goodwill on consolidation		£148,454		

Accounting Policies

(a) Accounting convention

These accounts have been prepared under the historical cost convention.

(b) Basis of consolidation

The consolidated accounts include the accounts of the Company and its subsidiary companies made up to the balance sheet date, with the exception of Nazeing Investments Limited (formerly Henry Ansbacher Investments Limited) which is consolidated up to the date of disposal.

(c) Balances with banks and money at call

This includes current accounts with bankers and loans to banks, discount houses and money brokers at call or maturing on the first business day of the next financial year.

(d) Bank certificates of deposit, treasury bills and bills discounted

Certificates of deposit are stated at market value except where it is intended that they should be held to maturity when they are stated at cost plus accrued interest. Treasury bills and bills discounted are shown at face value less unearned discount.

(e) Money at short notice

Money at short notice comprises money lent to banks, discount houses, money brokers and local authorities repayable after one day and within one month of the balance sheet date.

(f) Investments

British Government securities which are redeemable on fixed dates and are held for the long term, are included at cost adjusted for the amortisation of premiums and discounts on a straight line basis from the date of purchase to maturity.

Other listed investments are stated at the lower of cost and market value.

Unlisted investments are stated at the lower of cost and Directors' valuation.

(g) Loans, advances and other accounts

Loans and advances are stated in the balance sheet less appropriate provisions for possible loan losses. Specific provisions have been made against loans and advances where, in the opinion of the Directors, recovery is doubtful. In addition a general provision is maintained against the portfolio of loans and advances to cover possible loan losses not specifically identified.

(h) Fixed assets

Freehold property, fixtures, office machines and vehicles are stated at cost less depreciation. The rates of depreciation are designed to write off the cost of each class of asset over its estimated useful life. Expenditure on short leasehold property is written off as incurred.

(i) Foreign currency

Assets and liabilities in foreign currencies have been translated into sterling at market rates ruling at the balance sheet date. Forward exchange contracts are valued at year end market rates applicable to their respective maturities and the resulting gains or losses are reflected in the profit for the year.

(j) Taxation

Taxation is provided at the appropriate rate based on the profit for the year. If short term timing differences occur in the incidence of income and expenditure for accounts and taxation purposes an appropriate transfer is made to or from the deferred taxation account which has been set up for this purpose. No provision is made for taxation which would arise if the reserves of overseas subsidiaries were distributed by way of dividend.

Notes on the Accounts

1. Operating profit	1981 £	1980 £
Arrived at after crediting:		
Income from listed investments	350,811	192,908
Income from unlisted investments	6,833	6,940
Recoveries against debts previously provided	128,647	176,445
And after charging:		
Interest on current, deposit and other accounts	6,970,138	5,166,975
Debenture interest	14,300	14,300
Depreciation	109,948	45,910
Auditors' remuneration	38,946	33,226
Directors' remuneration and pension contributions	114,377	84,110
Compensation for loss of office paid to a former Director	—	10,000
Specific provisions for bad and doubtful debts	66,308	50,000
General provision against loans, advances and other accounts	—	150,000
Special contribution to the Ansbacher (C.I.) Limited pension scheme	—	50,000
Refurbishment expenses	56,551	—

Of "recoveries against debts previously provided" £123,000 (1980: £175,000) is a repayment in accordance with an agreement dated 27th February, 1979 whereby a company has undertaken by reference to its net profits for financial years commencing on 8th April, 1978 to discharge its associate company's liability to Henry Ansbacher & Co. Limited. In view of the uncertainty as to the ultimate recoverability of the remaining amount of £982,000 (1980: £1,105,000) and the timing of any such recoveries the Directors consider it prudent to account for the recoveries on a cash received basis.

2. Directors' and employees' remuneration	1981 £	1980 £
Chairman	18,880	17,380
Highest paid Director	39,571	28,000
Other Directors	Number	Number
£ 0 to £ 5,000	4	4
£ 5,001 to £10,000	—	1
£20,001 to £25,000	—	1
£35,001 to £40,000	1	—
Employees		
£20,001 to £25,000	5	2
£25,001 to £30,000	2	—

Notes on the Accounts

3. Taxation

	1981 £	1980 £
Advance corporation tax	63,410	53,735
Overseas taxation	126,027	89,998
Corporation tax payable 1st January, 1982	4,886	32,494
Deferred taxation transfer	(11,250)	(11,850)
Adjustments in respect of previous years	12,037	(1,615)
	<u>£195,110</u>	<u>£162,762</u>

The taxation charge for the year has been reduced by the utilisation of £0.1 million of losses brought forward. There remain unabsorbed losses for United Kingdom taxation purposes amounting to some £0.6 million (1980: £0.7 million) which are available to relieve future profits.

There are also some £0.2 million of losses for capital gains purposes agreed with the Inland Revenue.

4. Extraordinary items

	1981 £	1980 £
Provision against and losses on sale of long term investments (net)	(8,388)	23,624
Profit on disposal of subsidiary company less warranty claims relating to a prior year	68,448	114,683
Provision against loans to former subsidiary companies written back (net)	88,584	—
Legal costs of extending lease and acquiring minority interest	(25,201)	—
Profit on sale of property in Guernsey	17,852	—
Transfer from unallocated general provision	—	100,000
Cost of capital reconstruction	—	(96,553)
	<u>£141,295</u>	<u>£141,754</u>

5. Net surplus attributable to the Group

Of the net surplus of £808,863 (1980: £785,695), a profit of £40,686 (1980: £289,157) has been dealt with in the accounts of the Company.

6. Earnings per share

The calculation of earnings per share is based on a profit after taxation but before extraordinary items of £667,568 (1980: £643,941) and on 98,331,295 shares (1980: 83,587,530 shares) being the weighted average number of shares in issue during the year. The weighted average number of shares in issue during the previous year reflects the increase, on 3rd August, 1979, of the number of shares in issue from 55,587,500 to 97,587,545 as a result of the capital reconstruction.

The calculation of fully diluted earnings per share is based on a profit of £667,568 (1980: £643,941) and on 98,331,295 shares (1980: 97,587,545 shares), on the assumption that the convertible subordinated unsecured loan notes which were repaid on 30th July, 1979 had been converted into 42,000,000 shares with effect from 1st April, 1979.

Notes on the Accounts

7. Share capital

	1981	1980
Authorised:		
100,000,000 shares of 5p each	<u>£5,000,000</u>	<u>£5,000,000</u>
Issued:		
98,637,545 5p shares fully paid	<u>£4,931,877</u>	
97,587,545 5p shares fully paid		<u>£4,879,377</u>

On 15th July, 1980 1,050,000 fully paid shares of 5p each in the Company were issued at an attributable value of 13.5p per share as part of the consideration for the purchase by the Company of the minority interest in Frasers Holdings Limited, the former holding company of Ansbacher Investment Management Limited.

8. Reserves – net

	Share premium account £	General reserve £	Profit and loss account £	Total £
Group				
Balance at 31st March, 1980	2,100,000	600,000	1,789,270	4,489,270
Movement for the year	89,250	—	660,907	750,157
	<u>£2,189,250</u>	<u>£600,000</u>	<u>£2,450,177</u>	<u>£5,239,427</u>
Less: Goodwill arising on consolidation				(2,209,947)
				<u>£3,029,480</u>
Company				
Balance at 31st March, 1980	2,100,000		142,776	2,242,776
Movement for the year	89,250		(107,270)	(18,020)
	<u>£2,189,250</u>		<u>£35,506</u>	<u>£2,224,756</u>

9. 6½% Debenture stock 1981/86

At 31st March, 1981 £222,000 (1980: £222,000) of stock was in issue by The Builders and General Mortgage Company Limited of which £220,000 (1980: £220,000) was in issue to third parties. The stock is secured by a floating charge over the assets of that company.

Notes on the Accounts

10. Investments

	Book value		Market or Directors' value	
	1981 £	1980 £	1981 £	1980 £
Current assets				
Listed	£15,822	£19,792	£16,645	£20,198
Long term				
Listed – British Government securities	2,623,539	2,567,256	2,667,443	2,477,764
– Overseas	81,732	119,357	81,732	122,069
Unlisted	30,001	35,514	30,001	35,514
	<u>£2,735,272</u>	<u>£2,722,127</u>	<u>£2,779,176</u>	<u>£2,635,347</u>

At 31st March, 1981 Henry Ansbacher & Co. Limited owned 17.21 per cent of the issued common shares of British Controlled Oilfields Limited, a company incorporated in Canada and listed on the Montreal stock exchange.

11. Leasing assets

	1981	1980
Additions at cost	<u>£ 99,422</u>	<u>Nil</u>

Depreciation is provided to write off the cost of leasing assets over the primary period of each respective lease. At 31st March, 1981 the primary period of leasing assets had not yet commenced and therefore no provision for depreciation has been made.

12. Fixed assets

	Freehold property	Motor vehicles	Fixtures and office machines	Total
Depreciation rates per annum				
On cost	2½%	25%	15%–33%	
	£	£	£	£
Cost at 31st March, 1980	25,020	103,895	201,801	330,716
Additions	—	46,037	315,486	361,523
Disposals	(25,020)	(32,160)	(89,024)	(146,204)
Cost at 31st March, 1981	<u>Nil</u>	<u>£117,772</u>	<u>£428,263</u>	<u>£546,035</u>
Accumulated depreciation at 31st March, 1980	1,251	34,961	124,309	160,521
Disposals	(1,251)	(12,792)	(68,409)	(82,452)
Charge for the year	—	26,659	83,289	109,948
Accumulated depreciation at 31st March, 1981	<u>Nil</u>	<u>£48,828</u>	<u>£139,189</u>	<u>£188,017</u>
Net book value at 31st March, 1981		<u>£68,944</u>	<u>£289,074</u>	<u>£358,018</u>

Notes on the Accounts

13. Transactions with Directors

Details of amounts outstanding at 31st March, 1981 which are required to be stated in accordance with Section 56 of the Companies Act 1980 are as follows:

	Number of persons	Amount
Loans	<u>2</u>	<u>£52,498</u>

In addition, on 1st August, 1980 Henry Ansbacher & Co. (C.I.) Limited sold to Mr. J. M. Button a house in Guernsey, owned by that company. The price of £42,000 (which was an independent market valuation of the property) was advanced by Henry Ansbacher & Co. (C.I.) Limited to Mr. Button together with further sums totalling £8,000 being expenses incurred by Mr. Button in relation to the property. The loan outstanding at the end of the year was £50,000.

During the year, except as indicated above, there were no significant transactions with the Company or its subsidiaries in which Directors of the Company or persons connected with them had a material interest.

14. Contingent liabilities

There are contingent liabilities in respect of guarantees, irrevocable credits, forward contracts in foreign currencies and customers' undrawn facilities, which have been incurred in the ordinary course of business.

In addition, the Company has given guarantees to a group company amounting to £78,104.

15. Subsidiary companies

Listed below are the names of the principal operating subsidiaries of the Company together with their issued share capitals as at 31st March, 1981. Unless otherwise stated, each of the companies is wholly owned and is incorporated and operates principally in Great Britain.

	Country of Incorporation	Activity	£
Henry Ansbacher & Co. Limited	U.K.	Merchant banking	6,000,000
Ansbacher Investment Management Limited	U.K.	Investment management	1,000
Ansbacher Unit Management Co. Limited	U.K.	Unit trust management	20,000
Ansbacher (C.I.) Limited	Guernsey	Banking	1,000,000
Ansbacher Leasing Limited	U.K.	Leasing	10,000
The Builders and General Mortgage Company Limited	U.K.	Mortgage finance	375,500
Smith Rea Energy Associates Limited (60%)	U.K.	Energy consultancy	5,000

The Company owns other subsidiaries but, in the opinion of the Directors, the results of those subsidiaries do not materially affect the results of the Group and they are not therefore included in the above list.

16. Date of approval

The Directors approved the accounts on 27th May, 1981.

Current Cost Accounts

Current cost consolidated profit and loss account
for the year ended 31st March, 1981

	Notes	1981		1980	
		£	£	£	£
Operating profit as in historical cost accounts but before interest on debentures			881,222		828,624
Adjustments for inflation					
Monetary working capital	2	947,222		1,326,166	
Additional depreciation	3	9,130		18,474	
Cost of disposals	4	19,625		—	
			<u>975,977</u>		<u>1,344,640</u>
Current cost operating loss			94,755		516,016
Gearing adjustment	5	53,938		310,074	
Less: Interest on debentures		(14,300)		(14,300)	
			<u>39,638</u>		<u>295,774</u>
Current cost loss before taxation			55,117		220,242
Taxation as in historical cost accounts			195,110		162,762
Current cost loss after taxation			<u>250,227</u>		<u>383,004</u>
Minority interest in subsidiaries			4,244		7,621
Current cost loss before extraordinary items			<u>254,471</u>		<u>390,625</u>
Extraordinary items			141,295		141,754
Current cost loss attributable to shareholders			<u>113,176</u>		<u>248,871</u>
Dividend proposed			147,956		146,381
Unappropriated deficit			<u>£261,132</u>		<u>£395,252</u>
Loss per share			<u>0.26p</u>		<u>0.47p</u>

Current Cost Accounts

Current cost consolidated balance sheet
at 31st March, 1981

	Notes	£	1981 £	£	1980 £
Assets employed					
Advances and other monetary assets			60,470,902		51,996,644
Liability of customers for acceptances			2,244,037		2,072,609
Investments			111,733		154,871
Leasing assets			99,422		—
Fixed assets			389,706		260,359
			<u>£63,315,800</u>		<u>£54,484,483</u>
Financed by:					
Current, deposit and other accounts			52,326,793		44,305,394
Unallocated general provision			100,000		100,000
Acceptances for customers			2,244,037		2,072,609
Current and future taxation			281,969		222,413
Proposed dividend			147,956		146,381
Minority interest			2,000		20,368
6½% Debenture stock 1981/86			220,000		220,000
Share capital and reserves					
Issued share capital		4,931,877		4,879,377	
Current cost reserve	6	1,988,293		1,124,730	
Net reserves and retained profits	7	1,072,875		1,393,211	
			<u>7,993,045</u>		<u>7,397,318</u>
			<u>£63,315,800</u>		<u>£54,484,483</u>

Current Cost Accounts

Notes on the current cost accounts

1. These accounts have been prepared in compliance with Statement of Standard Accounting Practice No. 16; in other respects the accounting policies described in the historical cost accounts have been used.
2. The monetary working capital adjustment reflects the effect of price changes on the average net operating assets needed to support the day-to-day operations of the business and has been calculated by reference to the change in the U.K. retail price index. Monetary working capital is the excess of current assets, loans and advances and investments in British Government securities over the total of liabilities on current, deposit and other accounts.
3. The depreciation adjustment is the difference between depreciation based on the current cost of fixed assets and that charged in the historical cost accounts.
4. The cost of disposals adjustment makes allowance for the difference between the historical cost of fixed assets sold and an estimate of their current cost at the date of sale.
5. The gearing adjustment recognises that the assets of the business are financed in part by borrowing so that only a proportion of the monetary working capital, depreciation and cost of disposals adjustments is attributable to the shareholders.

6. Current cost reserve		£
Balance at 31st March, 1980		1,124,730
Monetary working capital adjustment		947,222
Movement on revaluation of fixed assets' surplus less		
backlog depreciation		(29,721)
Gearing adjustment		(53,938)
		<u>£1,988,293</u>
7. Net reserves and retained profits	£	£
Balance at 31st March, 1980		1,393,211
Current cost deficit for the year		(261,132)
		<u>1,132,079</u>
Share premium	89,250	
Goodwill	<u>(148,454)</u>	
		<u>(59,204)</u>
		<u>£1,072,875</u>

Current Cost Accounts

Notes on the current cost accounts

1. These accounts have been prepared in compliance with Statement of Standard Accounting Practice No. 16; in other respects the accounting policies described in the historical cost accounts have been used.
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Current cost deficit for the year		(261,132)
		<u>1,132,079</u>
Share premium	89,250	
Goodwill	(148,454)	
	<u></u>	(59,204)
		<u>£1,072,875</u>

Henry Ansbacher & Co. Limited



Consolidated Balance Sheet

at 31st March, 1981

	1981 £	1980 £
Capital and reserves		
Share capital	6,000,000	6,000,000
Reserves	1,825,243	1,155,924
	<u>7,825,243</u>	<u>7,155,924</u>
6½% Debenture stock 1981/86	220,000	220,000
Minority interests	—	20,368
Deferred taxation	—	11,250
Future taxation	123,500	90,000
Acceptances for customers	2,244,037	2,072,609
Current and deposit accounts of group companies	63,245	—
Current liabilities		
Current, deposit and other accounts	52,283,841	44,301,704
Current taxation	95,059	67,428
	<u>£62,854,925</u>	<u>£53,939,283</u>

Henry Austin & Co. Limited

	1981 £	1980 £
Current assets		
Balances with banks and money at call	6,732,292	4,759,484
Bank certificates of deposit, treasury bills and bills discounted	16,904,199	14,752,269
Money at short notice	5,470,744	6,573,755
Other loans to banks and finance houses	8,141,052	5,877,898
Investments	<u>15,822</u>	<u>19,792</u>
	37,264,109	31,983,198
Loans, advances and other accounts less provisions	19,454,183	16,216,404
Liability of customers for acceptances	2,244,037	2,072,609
Loans and advances to group companies	706,585	774,750
Investments	2,735,272	2,722,127
Leasing assets	99,422	—
Fixed assets	351,317	170,195
	<u>£62,854,925</u>	<u>£53,939,283</u>

Directors

Sir Samuel Goldman, KCB (Chairman)

C. C. P. Williams, CBE (Managing)

P. N. Amphlett

J. M. Button

W. Griessmann (Brazil)

S. C. Redfarn

C. J. Smith, CA

F. R. Welsh

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