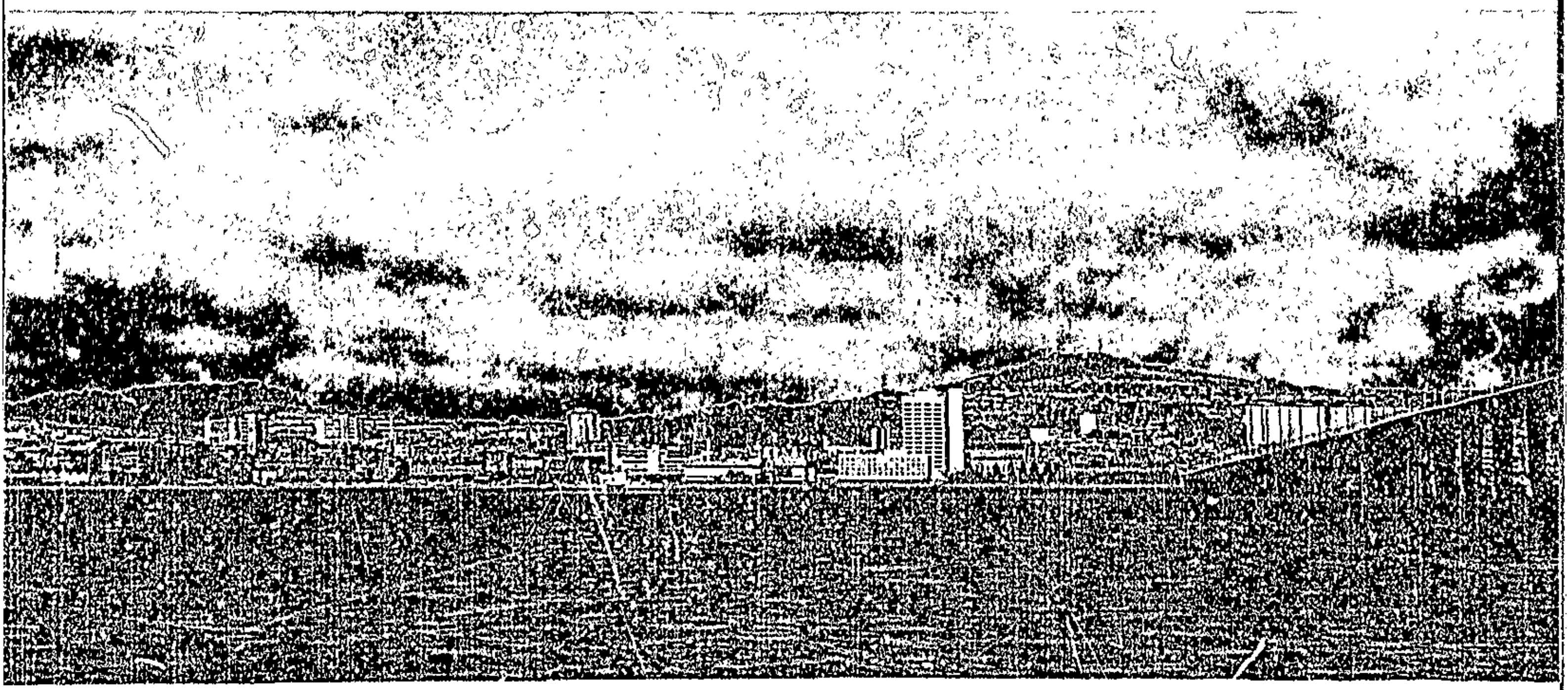
1731.

The ALLIANCE *Trust PLC*



1993
REPORT AND ACCOUNTS

CONTENTS

REGISTERED OFFICE
Meadow House, 64 Reform Street, Dundee DD1 1TJ. Telephone 0382 201700
Registered in Scotland No 1731

REGISTRARS
The Royal Bank of Scotland plc, Registrar's Department, PO Box 435, Owen House,
8 Bankhead Crossway North, Edinburgh EH11 4BR. Telephone 031-556 8555

Statements in this annual report about the Alliance Personal Equity Plan and Dividend and Savings Investment Scheme, participation in both of which is subject to the Terms and Conditions detailed in the Booklets available on request, have been approved, for the purposes of section 57 of the Financial Services Act 1986, by Alliance Trust Savings Limited, PO Box 164, Meadow House, 64 Reform Street, Dundee DD1 9YP, a member of FIMBRA. Participation in the PEP or Savings Scheme is intended as a long term investment and because the value of stocks and shares may go down as well as up, investors may not get back the amount invested. Please remember that levels and bases of and reliefs from taxation are subject to change and that past performance is not necessarily a guide to future performance and should not be relied upon in making any decision to invest.

DIRECTORS

SIR ROBERT SMITH, (65)
CBE, MA, LLD, FRSE, CA
Chairman
Appointed a director in 1981.
A director of several companies including the Bank of Scotland, Edinburgh Investment Trust, Sidlaw Group and Standard Life. °

LYNDON BOLTON (56)
Managing Director
Appointed a director in 1978
A director of the TSB Group, General Accident and Scottish Financial Enterprise.

GAVIN R SUGGETT, (48)
MA, MSc, FCA
Deputy Managing Director
Appointed a director in 1987.

ALAN M W YOUNG, (46)
MA, LLB
Executive Director
Appointed a director in 1992.

CHRISTOPHER BLAKE, (66)
CBE, MA, PHD, FRSE
Appointed a director in 1974.
Chairman of Glenrothes Development Corporation. ° •

SIR DOUGLAS HARDIE, (69)
CBE
Appointed a director in 1982.
Chairman of Grampian Television and a director of other companies. °

ANDREW F THOMSON, (50)
Appointed a director in 1989.
A director of D C Thomson & Co and a number of other companies. ° •

BRUCE W M JOHNSTON, (54)
CA
Appointed a director in 1991.
Chairman of City Centre Restaurants and a director of Mid Wynd International Investment Trust and other companies. ° •

° Non-Executive
• Member of Audit Committee

THE ALLIANCE TRUST

PROFILE

The Company

The Alliance Trust was founded in 1888 and, in common with other investment trust companies, has funds in the form of capital and borrowings which it invests with a view to increasing value for its stockholders. Its origins can be traced back to the 1870's when a group of Dundee businessmen formed a company to finance land mortgages in the USA, and since then it has grown into one of the largest investment trusts in the UK, with assets of £901m. The operations are still conducted from Dundee. A history of the Alliance Trust may be obtained from the Secretary.

Management

The Company's growth has been achieved by the successful management of stockholders' funds and the retention of capital gains, not by acquisition or merger. The Company is distinctive in being an independent investment trust, conducting its own affairs rather than engaging the services of a separate management company. The task of the management team is to seek out investment opportunities and administer and implement the policies of the Board. The directors normally meet weekly with the managers to form and monitor those policies.

Objectives

Investment policy is aimed at producing a steady growth of both income and capital.

Portfolio

The bulk of the portfolio is invested on a long-term basis in top quality commercial, financial and industrial concerns spread throughout the major economies of Europe, North America and the Far East. In the main these investments are marketable and changes in investment policy are achieved by moderate movements of funds from one investment to another.

Other Interests

The Company owns and manages numerous individual revenue producing oil and gas properties in the USA and its subsidiary, Alliance Trust (Finance) Limited, operates a banking and finance leasing business.

Stockholders

A significant part of the Company's stock is held directly for the benefit of individuals and the number of registered ordinary stockholders (22,019 at 31.1.93) does not reflect the large number of individuals who hold their stock through nominees, for example in the Alliance PEP and Savings Scheme. Many stockholders acquire their stock through inheritance or by gift and, reflecting the origins and location of the Company, the stockholder profile has a strong Scottish bias.

ATTRACTIONS TO THE PRIVATE STOCKHOLDER

Investment

The Alliance Trust provides a good vehicle for obtaining the necessary investment diversification to reduce overall risk, as well as providing stockholders with all the advantages of professional management. Virtually all income is distributed as dividends and it is usually possible to buy stock at a discount to the value of the underlying assets.

Taxation and Costs

The Company structure provides efficient cost management with administration expenses, all of which are charged against income, amounting to less than 0.2% of total assets. These costs may be offset against investment income for corporation tax purposes and the Company is exempt from taxation on capital gains.

PEP Limit

In order to retain the investment flexibility on which the strength of the Company relies, the Company has not sought to qualify fully for Personal Equity Plan purposes. Currently, therefore, a maximum of £1,500 p.a. may be subscribed to a PEP for investment in the Company's stock.

SAVINGS AND INVESTMENT SCHEMES

Two subsidiary companies, Alliance Trust Savings Limited and Alliance Trust (Finance) Limited, operate a range of savings and investment products.

Savings Scheme

The Dividend and Savings Investment Scheme enables investors to purchase Alliance stock simply and economically on a lump sum or regular subscription basis.

Personal Equity Plan

In the Alliance PEP the taxation benefits of PEPs may be combined with investment in Alliance stock and in qualifying investment trusts and other equities chosen by the investor. General PEPs and Single Company Plans are now available and the Alliance PEP is well known for its low cost structure and flexibility.

Share Exchange

The Savings Scheme and the PEP include a Share Exchange Facility which permits investors to realise existing portfolios to make cash subscriptions into the Savings Scheme or PEP.

TESSA

The Alliance TESSA offers depositors tax free interest on a fixed (up to 5 years) or variable rate basis with interest rates linked to wholesale money market rates throughout the 5 year term.

Details are available on request.

CHAIRMAN'S STATEMENT

EARNINGS

Earnings per stock unit for the year to 31st January 1993 show an increase of 5.0%, our underlying dividend income having held up relatively well in this difficult period. The revenue effect of portfolio changes was generally favourable and though sterling had remained comparatively strong for most of the year the currency movements in recent months have been helpful. Our Banking and Savings subsidiaries, a statement of whose affairs appears on page 21, continue to prosper and have paid a well-covered increased dividend.

DIVIDEND

In the light of the more encouraging prospect than prevailed at the time of the interim report in August 1992, the Board recommends an increase in the final dividend from 29p to 31p. With the interim dividend of 14p giving a total of 45p, this represents an increase of 4.6% for the year.

CAPITAL

A year which would encompass elections with economic significance in both our main areas of investment and, as it turned out, a currency crisis of substantial proportions at home, did not necessarily augur well for our capital performance. However our net asset value is up by 15.8%, out-performing the FTA All-Share Index for the fourth successive year, this time by nearly 5%.

The greater contributor was the strength of the dollar following sterling's devaluation in the autumn, and as we had maintained our large weighting in overseas equities and cash throughout the period of UK membership of the ERM this cautious perception of the political and economic risks being run has stood us in good stead.

OUTLOOK

Our year has covered, for most of the countries in which we invest, that phase of the economic cycle which is usually the most difficult for investors. Business activity has been low, unemployment rising, consumer confidence absent, and balance sheets, undermined by falling asset values, have been weak. The credibility of economic management at national and international level has been under question, adding further to the uncertainty. However past experience suggests that the pain of maintaining a counter-inflationary policy eventually becomes politically intolerable and the demand for growth becomes irresistible. In fundamentally strong economies this about-turn can be comparatively orderly but in the more exposed it is likely to be sudden. In the US the transition was under way throughout 1992 while in the UK the turn was altogether more abrupt. While the change of course might have been predictable the effect is much less so and, given the legacy of the previous boom, it is difficult to believe that a return to well founded economic buoyancy will be anything other than a lengthy and demanding process.

However short term interest rates have fallen sharply, accompanied by a dramatic currency upheaval while, in addition, recessionary pressures are accelerating the pursuit of lower costs, at the expense of employment, across all areas of activity in both public and private sectors. The political challenges involved are formidable but the potential commercial and portfolio investment opportunities are considerable. This message has not been lost on investors and as returns on cash holdings, built up in recession, have fallen sharply share prices have benefited as money has moved back into the stock markets. As a result valuations already discount at least partial recovery.

The table of portfolio changes in the Management Review shows a further reduction of our already minimal investment in Japan, some profit taking in the holdings of highly valued growth stocks in the US and reinvestment in the UK, generally in companies with above average prospects for dividend growth. At the year end we retained a substantial overseas equity exposure. A modest cash reserve, held mainly in foreign currency in anticipation of further sterling weakness, so far borne out, is available for attractive opportunities in the many new financings that are now appearing.

We have been very encouraged by the performance of a great number of the companies in our portfolio through this difficult period and are confident that they will do well as the background improves.

OTHER ACTIVITIES

The leasing book of Alliance Trust (Finance) Limited reflects the profitable disposal of one of its subsidiary companies and the return on this activity underlines the excellent quality of business undertaken. Funds within our PEP and Savings Scheme, managed by Alliance Trust Savings Limited, now exceed £110m. This activity, now fully engaging 14 members of the staff, is also profitable, has significantly increased the proportion of our stock owned by private individuals and has contributed to the narrowing of the discount between net asset value and market capitalisation.

BOARD AND MANAGEMENT

A Statement of Compliance with the Code of Best Practice recommended in the Cadbury Report published on 1st December 1992 will not be mandatory until our 1994 Accounts, but I foresee no difficulty in formalising those areas of our practice which have hitherto been understood rather than recorded or in demonstrating compliance where audit review will in future be required.

I have spoken before of the commendable consistency of performance which the Board and the proprietors of the Company have come to expect of Lyndon Bolton and his team here at Reform Street. They have given us another excellent year.

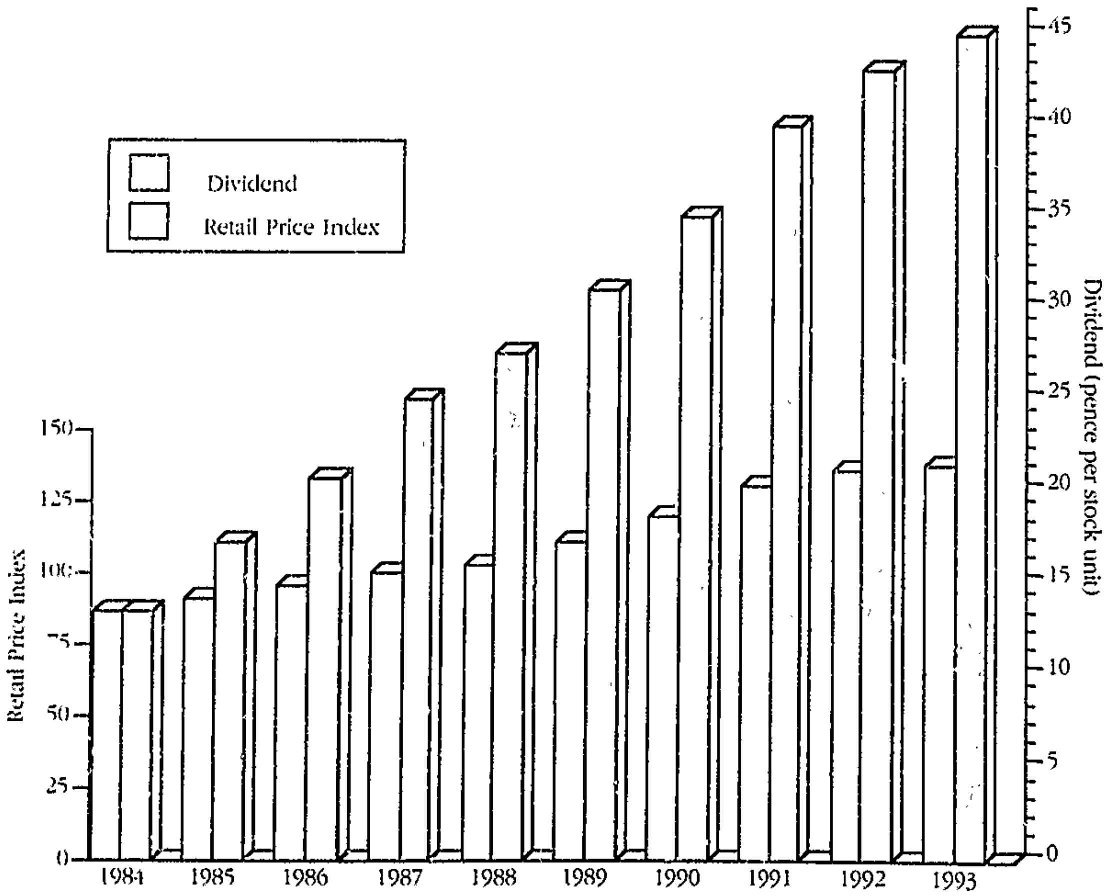
15th March 1993 — Robert Smith

FINANCIAL HIGHLIGHTS

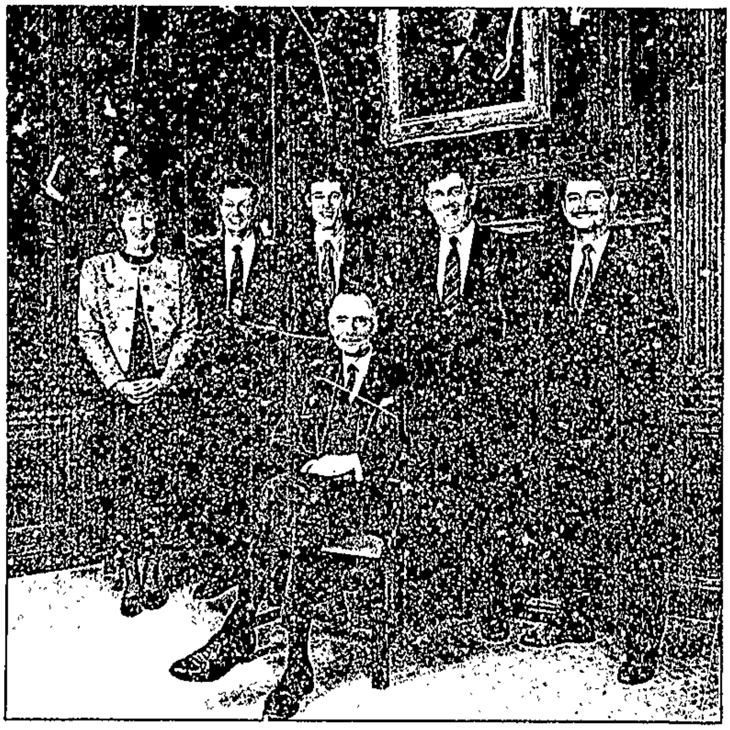
for the year to 31st January 1993

Income	**1993**	1992
Gross Revenue	**£33.4m**	£32.1m
Earnings per ordinary stock unit	**45.70p**	43.50p
Dividend per ordinary stock unit	**45.00p**	43.00p
Capital		
Total assets less current liabilities	**£900.6m**	£779.6m
Net asset value per ordinary stock unit	**£17.79**	£15.39

DIVIDEND RECORD



MANAGEMENT REVIEW



L-R Shona Dobbie (Economist), Alan Young (Director), Matthew Strachan (Assistant Manager)
Grant Lindsay (Manager), Ronald Hadden (Manager)
Seated Lyndon Bolton (Managing Director)

SUMMARY

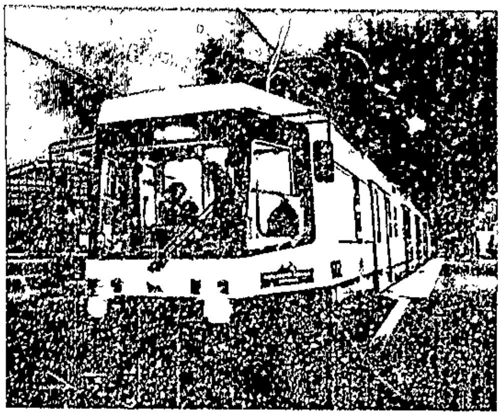
Investment Changes £000

	UK	Continental Europe	North America	Far East	Total
Valuation at 31st January 1992	391,085	74,158	235,343	54,953	755,539
Purchases	68,173	7,186	9,402	11,311	96,072
Sales	(33,386)	(9,620)	(33,249)	(25,773)	(102,028)
Appreciation	47,833	7,101	53,046	5,221	113,204
Valuation at 31st January 1993	473,705	78,8[illegible]	264,542	45,712	862,787

UNITED KINGDOM

Simply to report a rise of 11% in the UK equity market over the twelve months under review, as measured by the FTA All-Share Index, would be to conceal a year of considerable turmoil with great swings in relative performance, during the different phases, between various sectors and between individual stocks within them. The low point, which came just after the time of our interim report last August, showed a drop of 2[illegible] from the level at the end of January 1992. The market's nerve had already been tested prior to the general election in April but that served only to enhance the surprised euphoria which followed the result.

Attention was not diverted for long from the real economy, however, as the boost to confidence proved to be no more than another in a long series of false hopes. It was already clear that the policy of being tied to the interest and exchange rates of Germany was absurd for a UK economy continuing its decline in growth of between two and three years' duration. It appeared that the UK authorities were among the last to appreciate this, as well as the severity of the recession, and it took the force of the foreign exchange markets to set government policies on a changing course. Company profits showed another year of decline, down by 8%,



GENERAL ELECTRIC COMPANY PLC

INVESTMENT £14,162,000

THE NEW MANCHESTER TRAM SYSTEM WAS CONSTRUCTED BY A CONSORTIUM INCLUDING THE COMPANY

One of the UK's leading international companies in the fields of electrical and electronic systems, and power generation

excluding the weak financial sectors, and would have been far worse but for the privatised utilities which now constitute a large percentage of the market. This was reflected in a small fall in the total of dividends paid by British companies.

In local currency terms, the UK ended up as one of the better performing world markets over the year. That, however, depended entirely on increased hopes for improved company earnings which were provided by the devaluation of the pound, a process begun even

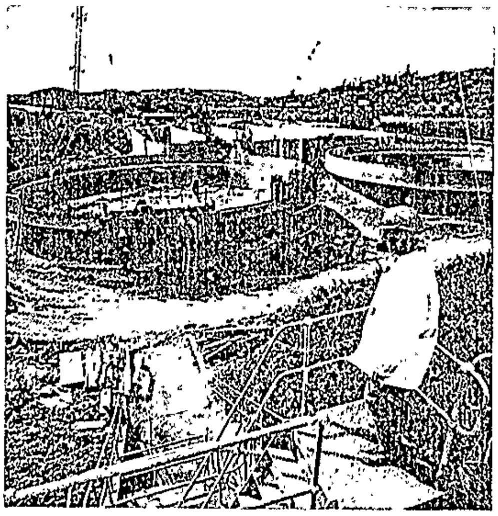
BAT INDUSTRIES PLC INVESTMENT £13,595,000

EAGLE STAR'S LINKS WITH AA INSURANCE SERVICES

A leading UK conglomerate with a growing interest in financial services - owning insurance groups Eagle Star in the UK and Farmers in the USA

before the official withdrawal from the ERM in September, and the consequent scope to cut interest rates. Nevertheless, the equity market under performed the total return which a UK investor would have gained simply by holding cash in US dollars or in D Marks. Equities did however, protect the investor against the consequences of devaluation more fully than did conventional gilts and almost equalled the performance of index linked gilts.

Our portfolio of stocks managed to keep just ahead of the index over the year as a whole but did relatively better in the first half than in the second.



SOUTH WEST WATER PLC INVESTMENT £3,630,000

SEWAGE TREATMENT PLANT UNDER CONSTRUCTION

Water utility serving the south western region of England.

Our activity was not high but we were able to take advantage of the market's volatility. Until September, purchases and sales reflected the dominant theme of our activity in seeking to build up holdings where dividends were secure and capable of growth despite the deteriorating economic outlook by, for example, bringing our holdings in the privatised water and electricity stocks up to an average weighting, while reducing any remaining holdings where there was doubt about their future dividend paying capacity.

Although we have retained a wide range of sizes of companies in our portfolio through the recession we have not added many smaller companies to our list during the last few years, that area had suffered, until September, marked under-performance. Since September's devaluation and the subsequent, albeit hesitating, development of a government policy aimed primarily at economic recovery, it has been possible to be more adventurous in our purchases to include small and medium sized companies. Some new names have been added to the list such as Blue Circle, Dorling Kindersley, Hays and Iceland. Additions were also made to, for example, Argos, Fine Art, GEC and to the property sector.

There remain risks to the government's new expansionary policy. The Spring Budget could nip confidence in the bud if heavy tax increases are made to reduce the need for borrowing. The amount of gilts likely to require to be sold over the next few years looks intimidating and could stifle the equity capital raising presently under way via rights issues. Inflation has just hit a low point but is set to rise before long as a result of dearer imports. While low wage increases and better productivity are at present particularly helpful in mitigating that, risks are being taken with inflation further out. The credibility of the new policy and its operation will be tested at some stage during the hoped for recovery and, should this suddenly be stronger than it is possible to imagine now, then interest rates could rise. Furthermore, the bulk of the interest rate cuts should by now have been seen.

The market has responded justifiably well to the new policy but it is now valued on a very forward looking basis and could face continued volatility while awaiting the further development of business and consumer confidence and the hoped for improvement in company profits.

Care is now required during this phase for not all companies will recover as fast or as completely as the market hopes, while our task is to continue to concentrate on those with better long term opportunities, finances and management.

CONTINENTAL EUROPE

Despite the advent of the single market in 1993, the weakness of European economies has led to rising unemployment and ballooning government deficits, thus driving countries further away from the convergence criteria required for economic and monetary union which were set out at Maastricht. Much of this economic weakness has stemmed from the high level of interest rates set by the Bundesbank in order to counteract German inflationary pressures resulting from unification. These high rates, transmitted to other countries via the mechanism of the ERM, have so far produced several bouts of severe tumult in the currency markets. This uncertainty was initiated by the Danish rejection of the Maastricht agreement and aggravated by the less than wholly convincing acceptance by the French in their September referendum.

With both Sterling and the Lira having pulled out of the ERM, currency gains of approximately 20% have been seen on our holdings in the remaining core of ERM countries. These gains have offset the generally weak performance of the continental bourses. Switzerland has been a notable exception with a 19% rise in nominal terms and a 38% rise adjusted for Sterling, despite the "No" vote in its separate referendum on membership of the European Economic Area.

We have acquired new holdings in Securitas, a Swedish security services company and Société Générale, France's largest private bank. Further additions have also been made to Astra, Alcatel Alsthom, Générale Des Eaux and Sphinx.

AB ASTRA INVESTMENT £1,954,000

THE COMPANY'S ANTI-ULCER DRUG IS CURRENTLY GAINING MARKET SHARE WORLDWIDE

The company is based in Sweden and is the largest pharmaceutical company in the Nordic Region.

Reflecting our continued cautious stance on Germany, we sold some of our holdings in smaller companies and lightened our interests in Dyckerhoff, Moksel and Schering. Our only new German holding was Bayerische Vereinsbank, a Bavarian based bank with significant exposure to the growing mortgage market. However, recent developments, such as the apparent easing of German wage pressure and the first moves towards interest rate reductions from the Bundesbank have hopefully marked a turning point in the economy which may provide some interesting opportunities in the year ahead. The potential for interest rate reductions on the continent as a whole is now substantial and, despite the present weakness of the economies, should be positive for the valuation of markets ultimately to be enhanced by a resumption in earnings growth.

NORTH AMERICA

The year has been dominated by the Presidential election and doubt about the strength of the economy. Although the recession officially ended in the spring of 1991 the six quarters which followed recorded unusually weak, almost imperceptible, growth. This was attributed to a variety of structural forces including the debt overhang from the 1980's, real estate deflation, the 1990 Bush tax increase, depressed exports and a reduction in the defence budget, necessitating large scale redeployment of human and capital resources. Recently however, the expansion seems to have gained considerable momentum and by the fourth quarter of 1992 real GDP growth was rising at the fastest pace since the Reagan boom years of the 1980's. Rebuilding after hurricanes Andrew and Iniki, together with consumer expenditure which benefited from accelerated bonuses in anticipation of President Clinton's tax increases, also affected the fourth quarter. Over the year inflation remained under control while productivity grew by 3%, its best performance since 1975. This allowed the Federal Reserve Board to further reduce interest rates and by October the return on three month treasury bills had reached a 30 year low.

PEPSICO INC INVESTMENT £11,532,000

THE SOFT DRINKS PRODUCT LINE

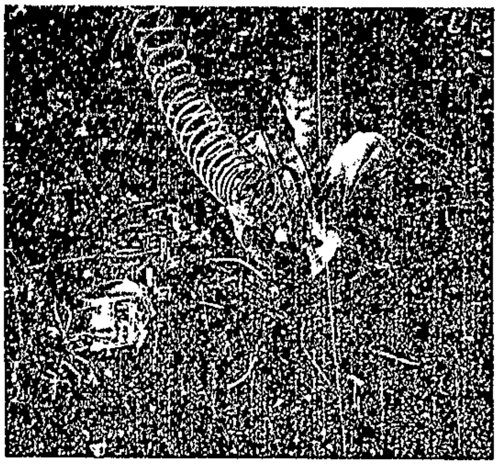
The world's second largest soft drink company with significant interests in snack foods and restaurants.

The equity market, torn between lower interest rates and a relatively weak economy, traded within a narrow range until October when enthusiasm over a possible change in administration and the first evidence of more robust growth propelled it to new heights. Even record losses and dividend cuts from major household names such as Ford, General Motors, IBM, Westinghouse and more recently Sears Roebuck, the retail and financial conglomerate, have failed to curb private investor enthusiasm for highly valued equities. Investors have ignored reported earnings per share, confused by exceptional losses and provisions relating to corporate restructuring and changes in accounting principles, and the S & P composite index has risen by 7% during the year. Together with strong dollar appreciation and, more important, sterling weakness following its exit from the ERM in September, the market rose by over 29% in sterling terms.

Our US portfolio, after several years of outperformance, lagged the market by 4%. This has been due almost entirely to our exposure to the healthcare sector which has been weak because of possible action to tackle the inexorable rise in healthcare spending. In recent years we have, at very considerable profit, reduced our exposure to the sector by £30m, including £9.6m in the current year, but remain convinced that ageing populations in most developed and developing countries imply strong future demand for healthcare resources and that this justifies our remaining long term investment in the sector. Other sectors including banks, insurance companies, utilities and many of our growth retailers, recorded excellent gains and Integon, a new holding which provides non-standard automobile insurance, has more than doubled since purchase.

Together with healthcare we reduced our exposure to the US market by net sales of £25m primarily in consumer and retail sectors. New acquisitions were relatively few, but included MA Hanna, Integon and Sherwin-Williams, the largest paint manufacturer and distributor, while we added several new small holdings in Mexico. In view of the new administration's concern with, and possible increased expenditure on, environmental issues we added to CBI Industries, Safety Kleen, Waste Management and Archer Daniels Midland, the agricultural commodities processor, where enhanced demand for ethanol in reformulated gasoline should result from clean air legislation.

The rise in order books, together with evidence of a longer factory work week, are encouraging signs that manufacturers are finally seeing the degree of improvement in business conditions that engenders confidence in the future. If this improvement holds, and the President's fiscal stimulus is well received, industrial employment will start to pick up and will result in enhanced consumer confidence, especially in the important housing market, already benefiting from very low interest rates.



FEDERAL SIGNAL CORP INVESTMENT £1,660,000
EMERGENCY SIGNAL LIGHT MANUFACTURE
This company manufactures fire engines, street sweepers and a wide variety of signs, signalling equipment and electronic displays.

Investors have been scrambling to augment their depleted income by reducing low yielding cash holdings either to buy higher yielding bonds or equity-oriented mutual funds, which have experienced cash inflow almost double the previous record of 1991. If interest rates remain low and the outlook for profits and dividends continues to improve, this trend could gather momentum since equities now account for only 30% of household wealth, well down from the record levels of almost 50% thirty years ago.

FAR EAST

The Japanese economy continued to deteriorate in 1992 with the effects of the excesses of the late 1980s finally spreading to all sectors. In order to arrest decline and spark recovery the Japanese authorities introduced a supplementary budget, promoting additional public capital spending, and interest rates were cut with the official discount rate falling recently to 2.5% in February 1993, the lowest level since 1987. However, major elements in GNP such as consumption and capital spending remain weak as both personal and business confidence are still depressed. This background has caused a sharp fall in imports of both raw materials and finished goods, resulting in a record trade surplus at a time of rising world protectionism. A positive side effect however has been the consequent strengthening of the currency which has enabled interest rates to be cut sharply without risking inflation.

The stock market had another miserable year falling by 26% although for a sterling investor this was limited to 3%. Corporate profits were significantly lower for the third consecutive year and we reduced our already minimal exposure with sales of £9m, including some well known names such as NEC, Hitachi and the real estate company, Mitsui Fudosan.

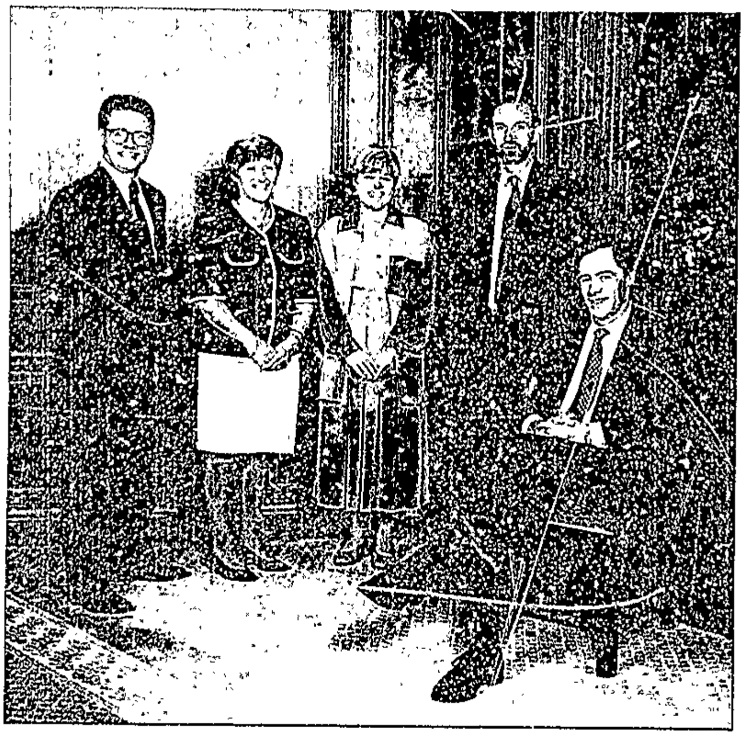
In a volatile year Hong Kong rose 25% with strong profits growth and a booming economy in Southern China the major factors. The much publicised disagreements between Britain and China over political reforms, and the vociferousness of China's attacks on Governor Patten, have shaken the stock market, but as yet there has been no obvious effect on business confidence. We were relatively active during the year including taking profits in the property developer Sun Hung Kai and purchasing a holding in the property investment company, Hong Kong Land. Among new holdings are the utilities Hong Kong Telecom and Hong Kong and China Gas, and two smaller companies currently developing businesses in China, Giordano - a clothing retailer, and Cafe de Coral - a restaurant chain. Elsewhere in the Far East we were active in Malaysia with purchases of Telekom Malaysia, a cabling company, Leader Universal and a construction company YTL. In Singapore we added to both Development Bank of Singapore and Singapore Press Holdings.

Australia continued to struggle with recessionary forces and the market was little changed over the year. We took profits in the retailer Coles Myer while among new holdings are the international company Pacific Dunlop and a small conglomerate, Futuris Corp.

ALLIANCE TRUST (FINANCE) LIMITED

The finance and savings businesses of the Company which are run through its subsidiaries, Alliance Trust (Finance) Limited ("ATF") and Alliance Trust Savings Limited ("ATS"), had a successful year and this was reflected in the Company's results through an increased dividend and a higher valuation. After-tax profits of £3.4m benefited from the sale of one of the leasing subsidiaries but, even excluding this, net profit increased by 12% to £2.1m. Distributable reserves increased to £9.6m and the balance sheet continued to strengthen with the capital base of £26.7m supporting increased TESSA and Savings Product deposits of £17.1m.

Further details of the investment are given in note 6 to the accounts, a separate statement of affairs of the ATF group is given on page 21 and a brief review of the finance and the savings businesses is given on the page opposite.



L-R Iain Smith (Chief Accountant), Marilyn Rowan (PEP Administrator), Sheila Gates (Company Secretary), Alan Shanks (Information Technology Manager) Seated Gavin Suggett (Deputy Managing Director)

Asset Finance Business

1992/93 has been a year of great change. Interest rates for 1 year money have fallen from 10.25% to 6%, much of the UK banking sector has had to restrict its leasing activity because of continued losses, initial tax allowances have been increased and companies have cut back on investment. However, not only was ATF able to write increased good quality business of £36m, but also it became profitable to sell one of its subsidiaries. The immediate effect of this sale was to realise a £1.3m surplus and reduce the lease portfolio. The longer term effects will depend on new business opportunities and on the levels of interest rates. If low interest rates persist it will be difficult for ATF to maintain current profitability after 1993/94 as leases arranged when interest rates were high are repaid and are replaced by lower yielding assets.

Savings Products

Investors' assets increased by approximately £50m to over £110m, revenue expanded by over 90% and, despite increased staffing, technology and other costs, the Savings Products made a healthy contribution to the group during 1992/93.

Demand for the new Savings Scheme was strong following favourable outside comment, and participation in the Alliance PEP also increased after the introduction of Single Company PEPs, and welcome changes to the PEP Regulations. Although the Company has decided not to qualify for full inclusion in PEPs up to the £6,000 p.a. limit, investors are now permitted to include in their Alliance PEP a selection of other investment trusts of their choice. This extra flexibility should help investors build efficient long-term PEP portfolios requiring little supervision or maintenance.

Competition, legislative changes and the substantial capital which may now be sheltered in PEPs have made PEPs widely accepted vehicles for holding equity investments. Because no introductory commission is paid and little is spent on advertising, the Alliance PEP is not often in the public eye. However, it is growing rapidly and the attractive features of low costs, economies of scale, wide choice and long-term flexibility should continue to benefit Company and investors alike.

FORTY LARGEST EQUITY INVESTMENTS

Company	Value £000	Main Activity	Country of Incorporation
Shell Transport & Trading	29,821	Oil	UK
Wal-Mart Stores	17,974	Discount Stores	USA
British Telecommunications	15,814	Telephone Utility	UK
Rentokil Group	15,702	Environmental Services	UK
General Electric	14,162	Electrical	UK
BAT Industries	13,593	Conglomerate	UK
Glaxo Holdings	13,033	Pharmaceuticals	UK
Philip Morris	12,942	Consumer Products	USA
Johnson & Johnson	12,250	Health Care	USA
PepsiCo	11,532	Food Manufacturing	USA
British Gas	10,993	Gas Utility	UK
Unilever	10,822	Food Manufacturing	UK
Great Universal Stores	9,998	Mail Order Shopping	UK
Pacific Telesis	9,232	Telephone Utility	USA
Reckitt & Colman	8,964	Consumer Products	UK
General Electric	8,862	Electrical Equipment	USA
Merck	8,822	Pharmaceuticals	USA
Marks & Spencer	8,629	Multiple Stores	UK
Allied Lyons	8,462	Brewing & Food	UK
Electrocomponents	7,934	Electrical Parts Distributor	UK
Dun & Bradstreet	7,779	Business Services	USA
W H Smith	7,605	Multiple Stores	UK
BTR	7,550	Industrial Materials	UK
Thorn EMI	7,500	Leisure	UK
National Westminster Bank	7,386	Banking	UK
Marsh & McLennan	7,317	Insurance	USA
BellSouth	7,109	Telephone Utility	USA
Gehe	6,919	Pharmaceuticals Distributor	Germany
Imperial Chemical Industries	6,756	Chemicals	UK
Waste Management	6,446	Waste Disposal	USA
Bristol-Myers Squibb	6,268	Health Care	USA
EMAP	6,046	Publishing	UK
SmithKline Beecham	5,772	Pharmaceuticals	UK
Scottish & Newcastle	5,705	Brewing & Leisure	UK
Argyll Group	5,654	Food Retailing	UK
Abbott Laboratories	5,526	Health Care	USA
Wolverhampton & Dudley Breweries	5,472	Brewing	UK
North West Water	5,417	Water Utility	UK
Prudential	5,388	Insurance	UK
Schering	5,386	Pharmaceuticals	Germany

The above investments represent 45.4% of the Company's total equity holdings excluding the investment in Alliance Trust (Finance) Limited.

CLASSIFICATION OF INVESTMENTS

CLASSIFICATION

	UK	Continental Europe	North America	Far East	**Total 1993**	Total 1992
EQUITIES (INCLUDING CONVERTIBLES*)	%	%	%	%	%	%
Capital Goods	**5.7**	**2.0**	**2.4**	**0.9**	**11.0**	10.2
Aerospace	0.2	—	0.2	—	**0.4**	0.5
Building and Construction	0.6	0.7	0.2	0.2	**1.7**	1.6
Electrical and Electronics	2.7	1.0	1.4	0.2	**5.3**	4.3
Engineering	0.8	0.2	0.2	0.1	**1.3**	1.6
Metals and Metal Forming	—	—	—	—	—	0.2
Motors	0.3	0.1	0.2	0.2	**0.8**	0.9
Other Industrial Materials	1.1	—	0.2	0.2	**1.5**	1.1
Consumer Goods	**21.4**	**5.0**	**11.4**	**1.3**	**39.1**	41.3
Brewers and Distillers	3.7	—	0.2	—	**3.9**	4.5
Food Manufacturing	2.5	0.7	1.5	0.2	**4.9**	5.0
Food Retailing	1.5	1.0	0.1	0.2	**2.8**	3.1
Health and Household Products	3.2	1.3	3.9	0.1	**8.5**	10.7
Leisure	2.0	0.1	0.2	0.2	**2.5**	2.6
Media	1.5	—	0.5	0.3	**2.3**	1.6
Packaging, Paper & Printing	0.6	—	0.1	0.1	**0.8**	0.8
Stores	4.9	1.9	3.5	0.2	**10.5**	10.1
Textiles	—	—	—	—	—	0.1
Miscellaneous	1.5	—	1.4	—	**2.9**	2.8
Other Groups	**15.0**	**1.3**	**12.8**	**1.9**	**31.0**	30.2
Business Services	2.4	0.1	0.9	—	**3.4**	2.8
Chemicals	2.1	0.1	1.9	0.4	**4.5**	5.2
Hospitals and Hospital Services	—	—	—	—	—	1.1
Office Equipment	—	0.1	0.2	0.1	**0.4**	0.4
Oil and Gas	5.1	0.2	2.6	0.3	**8.2**	8.2
Public Utilities	5.3	0.2	5.1	0.4	**11.0**	8.6
Transport	—	—	—	0.1	**0.1**	0.3
Miscellaneous	0.1	0.6	2.1	0.6	**3.4**	3.6
Financial	**9.5**	**0.5**	**2.5**	**1.0**	**13.5**	13.7
Banks and Finance	2.7	0.5	1.4	0.5	**5.1**	5.2
Insurance	2.5	—	1.1	0.1	**3.7**	3.2
Investment Trusts	0.9	—	—	0.2	**1.1**	1.5
Property	1.5	—	—	0.2	**1.7**	2.0
Miscellaneous	1.9	—	—	—	**1.9**	3.6
Total Equities	**51.6**	**8.8**	**29.1**	**5.1**	**94.6**	95.4
FIXED INTEREST						
Preference and Loan Stocks	**1.0**	—	—	—	**1.0**	1.3
Total Investments	**52.6**	**8.8**	**29.1**	**5.1**	**95.6**	96.7
OTHER NET ASSETS	**0.1**	**2.1**	**1.1**	**1.1**	**4.4**	3.3
TOTAL ASSETS (LESS CURRENT LIABILITIES)						
1993 £900.6m	**52.7**	**10.9**	**30.2**	**6.2**	**100.0**	
1992 £779.6m	49.4	10.4	31.6	8.6		100.0

* Convertibles represent 2.8% (2.5%)

REPORT OF THE DIRECTORS

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

DIVIDENDS

The Board recommends a final dividend of 31.0p per ordinary stock unit which, together with the interim of 14.0p paid on 9th October 1992, makes a total of 45.0p for the year compared with 43.0p for the previous year. The sur[illegible] of £351,000 is transferred to revenue reserve.

STATUS

The Company, which is an investm[illegible] company within the meaning of section 266 of the Companies Act 1985, has received approval as an [illegible]ment trust from the Inland Revenue in respect of the year ended 31st January 1992 and has subse[illegible] its affairs to enable it to continue to seek such approval. It is not a close company under t[illegible] the Income and Corporation Taxes Act 1988. A review of the development of the bu[illegible] is given in the Management Review, the outlook for the Company being referred t[illegible]ment.

DIRECTORS

The directors who served throughout the year are as listed below. Mr Gavin R Suggett whose service contract with the Company can be terminated by the Company at three years notice, retires by rotation from the Board and, being eligible, offers himself for re-election.

No director had any material interest during the year in any contract, being a contract of significance, with the Company or any subsidiary company.

No director has any interest in the Company's preference stocks or debenture stock and no director, nor any member of his immediate family, has been granted options to subscribe for stock in or debentures of the Company or in any body corporate in the same group as the Company. The interests of the directors in the ordinary stock units of the Company are given below.

	31st January 1993		1st February 1992	
	Beneficial	**As Trustee**	Beneficial	As Trustee
Christopher Blake	**1,883**	**7,200**	1,858	7,200
Lyndon Bolton	**2,316**	**—**	2,190	—
Sir Douglas Hardie	**912**	**2,200**	886	2,200
Bruce W M Johnston	**200**	**13,116**	200	10,966
Sir Robert Smith	**1,000**	**—**	1,000	—
Gavin R Suggett	**517**	**5,039**	412	5,552
Andrew F Thomson	**10,854**	**184,957**	10,832	184,310
Alan M W Young	**1,052**	**—**	908	—

On 23rd February 1993 Mr Gavin R Suggett, as trustee, acquired a further interest in 30 ordinary stock units as a result of participation in the Alliance Dividend and Savings Investment Scheme. Apart from this transaction, there has been no change to these holdings between 1st February 1993 and 15th March 1993.

STOCKHOLDERS

As at 15th March 1993 the undernoted stockholders had reported an interest of 3% or more in the Company's ordinary share capital:-

	Ordinary stock units	
CIN Management Limited (British Coal Staff Superannuation Scheme and Mineworkers' Pension Scheme)	3,524,894	(6.99%)
The Standard Life Assurance Company	3,274,399	(6.50%)
D C Thomson & Co Ltd	3,241,503	(6.43%)

AUDITORS

KPMG Peat Marwick, Chartered Accountants, have indicated their willingness to continue in office. A resolution concerning their re-appointment and remuneration will be submitted at the annual general meeting.

S M Gates

Dundee, 15th March 1993

S M Gates Secretary

REPORT OF THE AUDITORS

to the Members of The Alliance Trust PLC

We have audited the financial statements on pages 15 to 22 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 31st January 1993 and of its revenue and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Peat Marwick

Dundee, 15th March 1993

KPMG PEAT MARWICK
Chartered Accountants
Registered Auditors
Royal Exchange
Dundee

ACCOUNTING POLICIES

a. These financial statements have been prepared under the historical cost convention, modified to include the revaluation of investments and office premises, and in accordance with applicable accounting standards.

b. Income and expenditure of a revenue nature are included in the Company's Revenue Account. Realised and unrealised profits and losses on investments and foreign currencies, which may not be distributed, are included in capital reserves.

c. Income from assets is determined on the basis of cash receipts including taxes deducted at source and imputed tax credits, with the exception of securities covered by the Finance Act 1985, where cash receipts are adjusted as appropriate for accrued interest on purchases and sales. Interest payable is treated on an accruals basis. Foreign income is converted at the rate of exchange applicable on receipt.

d. Listed investments are valued at market prices or middle market prices as appropriate. Unlisted investments and mineral rights are valued by the directors on the basis of market prices, latest dealings, stockbrokers' valuations, petroleum consultants' valuations and accounting information as appropriate. Foreign assets and liabilities are valued using the middle rates of exchange ruling at the year end.

e. Office premises are shown at the valuation carried out during the 1990/91 financial year by chartered surveyors on a current open market capital value basis. No depreciation has been charged on this asset as, in the opinion of the directors, any provision for depreciation would be immaterial in relation to the revenue for the year and the assets of the Company.

f. The accounts of Alliance Trust (Finance) Limited have not been consolidated with those of the Company as the directors consider that, as the amounts involved are not material, their inclusion would detract from the clarity of the accounts in respect of the principal activity of the Company as an authorised investment trust. A separate statement of the affairs of Alliance Trust (Finance) Limited is presented on page 21.

REVENUE ACCOUNT

for the year ended 31st January 1993

	Notes	1993		1992	
INCOME					
Income from Investments		£000 Listed	£000 Unlisted	£000 Listed	£000 Unlisted
UK dividends		18,433	193	17,040	102
UK interest		327	—	327	—
Overseas dividends		9,060	—	8,751	—
Overseas interest		351	15	209	25
Mineral royalties		—	221	—	355
Dividends from subsidiary		—	525	—	350
Interest on loan to subsidiary		—	634	—	398
		28,171	1,588	26,327	1,230
Total Income from Investments			29,759		27,557
Other Income					
Interest received	2	3,655		4,395	
Underwriting commission		30		128	
			3,685		4,523
Total Income			33,444		32,080
EXPENSES, INTEREST & TAXATION					
Management expenses		1,379		1,336	
Audit fee		12		11	
Administration expenses	1	1,391		1,347	
Interest payable	2	78		89	
			1,469		1,436
Revenue before Taxation			31,975		30,644
Taxation	3		8,876		8,652
Revenue after Taxation			23,099		21,992
DIVIDENDS					
Preference Stock			68		68
			23,031		21,924
Ordinary Stock:					
Interim paid — 14.0p (14.0p)		7,056		7,056	
Final proposed — 31.0p (29.0p)		15,624		14,616	
			22,680		21,672
REVENUE RESERVE					
Surplus revenue for the year			351		252
Balance at 1st February 1992			9,244		8,992
Balance at 31st January 1993			9,595		9,244
Earnings per ordinary stock unit	4		45.70p		43.50p

The notes on pages 18 to 21 form part of these accounts.

BALANCE SHEET

as at 31st January 1993

	Notes	1993		1992	
		£000	£000	£000	£000
FIXED ASSETS					
Investments	5				
Listed in the UK		450,041		370,586	
Listed overseas		382,523		359,063	
Unlisted and mineral rights		7,195		6,192	
Subsidiary company	6	23,028		19,698	
			862,787		755,539
Office Premises			450		450
CURRENT ASSETS					
Debtors					
Sales for future settlement		531		3,721	
Other debtors		3		—	
Taxation recoverable		1,026		1,241	
Cash at bank and in hand		55,925		38,887	
		57,485		43,849	
Creditors: due within one year					
Purchases for future settlement		4,360		5,498	
Other creditors		30		29	
Taxation		68		67	
Dividends		15,658		14,650	
		20,116		20,244	
Net Current Assets			37,369		23,6[illegible]5
Total Assets less Current Liabilities			900,606		779,594
Creditors: due after one year					
4½% Debenture stock 1956 or after			1,648		1,648
CAPITAL & RESERVES					
Called up Share Capital					
Authorised, issued and fully paid					
Preference stock	7		2,200		2,200
50,400,000 25p ordinary stock units		12,600		12,600	
Reserves					
Capital reserves	8	874,563		753,902	
Revenue reserve		9,595		9,244	
			896,758		775,746
			900,606		779,594

The financial statements on pages 15 to 22 were approved by the Board on 15th March 1993 and are signed on its behalf by:

Robert Smith — Director
Lyndon Bolton — Director

The notes on pages 18 to 21 form part of these accounts.

NOTES ON THE ACCOUNTS

1. ADMINISTRATION EXPENSES

Administration expenses include:

	1993 £	1992 £
Directors' emoluments:		
Fees	36,500	31,223
Management remuneration	225,678	147,867
Pension contributions	58,435	38,702
	320,613	217,792

In addition, fees totalling £9,500 (£7,928) were paid to the Company's directors by its subsidiary, Alliance Trust (Finance) Limited. Particulars of directors' remuneration including that paid by Alliance Trust (Finance) Limited, but excluding pension contributions, were as follows:

Chairman	12,000	11,250
Highest paid director	98,684	87,010

Directors, including the above				
£0 - £5,000	— (2)		£60,001 - £65,000	1 (—)
£5,001 - £10,000	4 (3)		£65,001 - £70,000	1 (—)
£10,001 - £15,000	1 (1)		£85,001 - £90,000	— (1)
£55,001 - £60,000	— (1)		£95,001 - £100,000	1 (—)

The Company shares the cost of employing 37 (31) full-time employees and 7 (7) part-time employees, excluding the directors, with The Second Alliance Trust PLC and Alliance Trust (Finance) Limited. The costs to The Alliance Trust PLC were salaries £343,000 (£298,000), pension contributions £83,000 (£72,000) and social security contributions £53,000 (£30,000).

During the year £6,000 was paid to the company's auditors in respect of non-audit work.

Lease rentals paid during the year were £48,000 (£59,000). Future rental commitments net of finance charges under finance leases total £36,000 (£37,000) within one year and £36,000 (£39,000) thereafter.

2. INTEREST

	£000	£000
Interest received includes interest from subsidiary	348	602
Interest payable on loans repayable within 5 years	4	15
Interest on all other loans	74	74
	78	89

3. TAXATION

Corporation tax at 33% (33.16%)	4,219	4,373
Less, relief for overseas tax	1,283	1,294
	2,936	3,079
Overseas tax	1,283	1,294
Tax credit on franked investment income	4,657	4,285
Tax credit on dividends from subsidiary	—	88
Prior year adjustment	—	(94)
	8,876	8,652

No provision has been made for advance corporation tax on the proposed final dividend as, in the opinion of the directors, such taxation will be fully relieved.

4. EARNINGS PER ORDINARY STOCK UNIT

The earnings per ordinary stock unit are based on revenue available to ordinary stockholders of £23,031,000 (£21,924,000) divided by the 50,400,000 stock units in issue.

5. INVESTMENTS

	Listed in UK £000	Listed Overseas £000	Unlisted & Mineral Rights £000	Subsidiary Company £000	Total £000
Book cost at 31st January 1992	209,279	220,362	3,894	11,400	444,935
Unrealised appreciation	161,307	138,701	2,298	8,298	310,604
Valuation at 31st January 1992	370,586	359,063	6,192	19,698	755,539
Movements during year					
Purchases - cost	67,669	27,899	504	—	96,072
Sales - proceeds	(33,377)	(68,642)	(9)	—	(102,028)
- profits	9,218	16,116	9	—	25,343
Increase in unrealised appreciation	35,945	48,087	499	3,330	87,861
Valuation at 31st January 1993	450,041	382,523	7,195	23,028	862,787

6. SUBSIDIARY COMPANY

The Company owns 600,000 ordinary shares (75%) in Alliance Trust (Finance) Limited ("ATF"), a company incorporated in Scotland, whose main activities are banking and finance leasing in the UK. Its subsidiaries, Secdee Leasing Limited, Alliance Trust (Finance) No.1 Limited, Alliance Trust (Finance) No.4 Limited ("ATF4"), formerly called Leasedart Limited, and Alliance Trust (Finance) No.10 Limited whose main activities are finance leasing in the UK, and Alliance Trust Savings Limited, whose main activity is the management of personal equity plans and savings schemes, are also incorporated in Scotland, with the exception of ATF4 which is incorporated in England and Wales.

A subsidiary, formerly called ATF4, which was owned by ATF on 31st January 1992, was sold in December 1992 and changed its name on the occasion of the sale. This enabled the new subsidiary, formerly Leasedart Limited, to take the name ATF4.

A separate statement of the affairs of Alliance Trust (Finance) Limited is presented on page 21.

An independent valuation of Alliance Trust (Finance) Limited was obtained at 31st January 1993 and has been used as a basis for the valuation of the Company's interests.

	1993 £000	1992 £000
600,000 ordinary shares of £1 each	**17,028**	13,698
Floating rate subordinated loan notes	**6,000**	6,000
	23,028	19,698

7. PREFERENCE STOCK

	1993	1992
	£000	£000
4¼% (now 2.975% + tax credit) cumulative preference stock	**700**	700
4% (now 2.8% + tax credit) cumulative preference stock	**650**	650
5% (now 3.5% + tax credit) cumulative preference stock	**750**	750
4% (now 2.8% + tax credit) 'A' cumulative preference stock	**100**	100
	2,200	2,200

8. CAPITAL RESERVES

	Realised	Unrealised	Total
	£000	£000	£000
Capital reserves at 31st January 1992	443,018	310,884	753,902
Profits realised	25,343	—	25,343
Increase in unrealised appreciation	—	87,861	87,861
Profits on currency transactions	7,421	—	7,421
Premiums from mineral rights	36	—	36
Capital reserves at 31st January 1993	475,818	398,745	874,563

9. CONTINGENT LIABILITIES

There were contingent liabilities at 31st January 1993 of £935,000 (£154,000) in respect of underwriting. An amount of £2,562,000 (£2,629,000), representing the final instalments payable on certain of the Company's holdings, has been included in creditors and added to the cost and market valuation of investments listed in the UK.

10. PENSION FUND

The Company, in conjunction with The Second Alliance Trust PLC, operates a defined benefit pension scheme which is separately funded and is administered by an insurance company on behalf of the trustees.

The pension cost charged to the accounts of £142,000 (£111,000) was paid in June 1992 and represented a 27.1% (27.1%) funding rate applied to the Company's share of pensionable salaries.

The funding rate is determined, at intervals not exceeding three years, on the recommendation of a qualified actuary employed by the insurance company. The last actuarial valuation report was dated January 1992 and related to service by members up to 31st March 1992. The report was produced using the projected unit method of funding and assumed investment returns exceed salary progression by 0.5% per annum. This report showed assets valued at £3,300,000, funding of 111% and a surplus of £343,000. Following a review of the actuarial assumptions, which was concluded in October 1992, a reduction in the funding rate to 23% was agreed.

11. ALLIANCE TRUST (FINANCE) LIMITED

Summarised statement of the affairs of Alliance Trust (Finance) Limited ("ATF")

Consolidated Profit and Loss Account for the year ended 31st January

	1993	1992
	£000	£000
Gross earnings on finance leases	6,322	5,399
Other income: PEP and Savings Scheme charges	359	188
Profit on sale of subsidiary company	1,283	—
Total income	7,964	5,587
Net interest paid	(2,647)	(2,286)
Operating costs	(779)	(659)
Profit on ordinary activities before taxation	4,538	2,642
Taxation	(1,097)	(743)
Profit on ordinary activities after taxation	3,441	1,899
Minority interest	(59)	(39)
Profit for the year	3,382	1,860
Dividend	(700)	(350)
Retained profit	2,682	1,510

Consolidated Balance Sheet as at 31st January

	1993	1992
Net investment in finance leases		
Due within one year	16,864	20,276
Due thereafter	35,974	37,274
Sundry Debtors	708	706
Cash and deposits with bankers	14,698	4,757
Total assets	68,244	63,013
Financed by:		
Deposit accounts	17,145	11,741
Bills of exchange	10,000	11,000
Current liabilities	8,157	9,505
Deferred taxation	6,002	6,535
Minority interest	218	192
	41,522	38,973
Subordinated loan notes	8,000	8,000
Share capital	800	800
Share premium	7,920	7,920
Profit and loss account	10,002	7,320
Total funding	68,244	63,013

Notes

a. These financial statements have been prepared under the historical cost convention. The accounts of subsidiary companies are consolidated using audited accounts to their last accounting reference date together with management accounts covering the period to 31st January, with the exception of Alliance Trust Savings Limited whose results are included for the year to 31st December. The accounting dates of the subsidiaries do not coincide with that of ATF for commercial resasons.

b. Gross earnings on finance leases are allocated to accounting periods in order to give a constant rate of return on the net cash investment in the lease. The net investment in finance leases represents the total lease payments receivable, net of finance charges allocated to future periods. The initial costs of completing new leasing contracts are written off during the year in which they are incurred and the operating costs include £131,000 (£172,000) of such costs.

c. Provision is made for deferred taxation by the liability method.

The full report and accounts of ATF are delivered to the Registrar of Companies in Edinburgh.

CASH FLOW STATEMENT

for the year ended 31st January 1993

	1993		1992	
	£000	£000	£000	£000
Net cash inflow from operating activities		32,051		30,714
Servicing of finance				
Interest paid	(78)		(89)	
Dividends paid	(21,740)		(20,732)	
Net cash outflow on servicing of finance		(21,818)		(20,821)
Taxation				
UK corporation tax paid	(7,377)		(8,237)	
Overseas tax paid	(1,283)		(1,294)	
Total tax paid		(8,660)		(9,531)
Investing activities				
Purchases of investments	(97,210)		(101,996)	
Sales of investments	105,218		98,368	
Premiums from mineral rights	36		18	
Net cash inflow (outflow) from investing activities		8,044		(3,610)
Increase (decrease) in cash		9,617		(3,248)

Notes to the cash flow statement

	1993	1992
	£000	£000
Reconciliation of revenue to net cash inflow from operating activities		
Revenue before interest payable and taxation	36,710	35,106
Decrease (increase) in debtors	(3)	5
Increase (decrease) in creditors	1	(24)
Tax on franked investment income	(4,657)	(4,373)
Net cash inflow from operating activities	32,051	30,714
Analysis of changes in cash during year		
Balance at 31st January 1992	38,887	39,430
Net cash inflow (outflow) before adjustments for the effect of foreign exchange rate changes	9,617	(3,248)
Effect of foreign exchange rate changes	7,421	2,705
Balance at 31st January 1993	55,925	38,887

TEN YEAR RECORD

years to 31st January

	Total Assets less Current Liabilities	Total Income	Net Revenue available for Ordinary Stockholders	Ordinary Stock Earnings	Ordinary Stock Dividend (net)	Net Asset Value
	£m	£m	£m	Pence per Stock Unit	Pence per Stock Unit	£ per Stock Unit
1984	355.0	13.0	6.9	13.73	13.50	6.85
1985	444.5	15.5	8.9	17.65	17.25	8.74
1986	457.9	17.5	10.5	20.91	20.75	9.01
1987	576.4	20.5	13.0	25.79	25.00	11.36
1988	518.2	21.7	14.0	27.85	27.50	10.21
1989	593.3	23.7	15.8	31.27	31.00	11.70
1990	693.5	26.7	18.0	35.74	35.00	13.68
1991	628.6	30.3	20.5	40.66	40.00	12.39
1992	779.6	32.1	21.9	43.50	43.00	15.39
1993	900.6	33.4	23.0	45.70	45.00	17.79

FINANCIAL CALENDAR

ANNOUNCEMENTS

Final dividend and year-end results	15th March 1993
Report and accounts sent to stockholders	23rd March 1993
Interim results	16th August 1993

MEETINGS

Annual general meeting	16th April 1993

DIVIDENDS AND INTEREST

Ordinary and preference stocks final	28th April 1993
Ordinary and preference stocks interim	8th October 1993
Debenture stock	15th May 1993 and 11th November 1993

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the One Hundred and Fifth annual general meeting of The Alliance Trust PLC will be held at MEADOW HOUSE, 64 REFORM STREET, DUNDEE, on Friday 16th April 1993 at 12.30 pm for the following purposes:-

ORDINARY BUSINESS

1. To receive and consider the Report of the Directors and the Accounts for the year ended 31st January 1993.
2. To declare dividends (resolution numbered 1 on the proxy form).
3. To re-elect Mr Gavin R Suggett as a director (resolution numbered 2 on the proxy form).
4. To re-appoint KPMG Peat Marwick as auditors and to authorise the directors to determine their remuneration (resolution numbered 3 on the proxy form).

By order of the Board

S M Gates

S M Gates Secretary

Dundee, 23rd March 1993

A member entitled to attend and vote at the above meeting may appoint a proxy to attend and, on a poll, to vote in his stead. A proxy need not be a member of the Company. Forms of proxy must be lodged at the Company's registered office not less than 48 hours before the time of the meeting.

The register of directors' stock and debenture interests and copies of the directors' service agreements will be available for inspection at the registered office of the Company during normal business hours from the date of this notice until the date of the annual general meeting and at the meeting.

Subject to approval at the meeting, dividend warrants payable on 28th April will be posted on 26th April to stockholders on the register on 8th April.