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The
ALLIANCE
Trust PLC

1992
REPORT AND ACCOUNTS

CONTENTS

REGISTERED OFFICE
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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 031-442 4111

Statements in this annual report about the Alliance Personal Equity Plan and Dividend and Savings Investment Scheme have been approved, for the purpose of section 57 of the Financial Services Act 1986, by Alliance Trust Savings Limited, a member of FIMBRA. Stock in The Alliance Trust PLC is intended as a long term investment and because it may go down in value as well as up, investors may not get back the amount invested

DIRECTORS

SIR ROBERT SMITH, (61)
CBE, MA, LLD, 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, (55)
Managing Director
Appointed a director in 1978
A director of the TSB Group, General Accident and Scottish Financial Enterprise

GAVIN R SUGGETT, (47)
MA, MSc, FCA
Deputy Managing Director
Appointed a director in 1987

ALAN M W YOUNG, (45)
MA, LLB
Executive Director
Appointed a director in 1992.

CHRISTOPHER BLAKE, (65)
CBE, MA, PHD
Appointed a director in 197[illegible]
Chairman of Glenrothes Development Corporation •

SIR DOUGLAS HARDIE, (68)
CBE
Appointed a director in 1982
Chairman of Grampian Television and a director of other companies including the Clydesdale Bank.

ANDREW F THOMSON, (49)
Appointed a director in 1989
A director of D C Thomson & Co and a number of other companies •

BRUCE W M JOHNSTON, (53)
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 £780m. 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 (18,126 at 31.1.92) 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 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

The Company pays no tax on capital gains, allowing a tax free capital fund to be built up and the management to follow investment policies free from the distortions of capital taxation. On the income side the Company is able to offset both expenses and interest against investment income for taxation purposes.

Cost

The Company structure provides efficient cost management with administration expenses amounting to less than 0.2% of total assets. Low transaction costs, freedom from capital gains tax, the ability to borrow and the Company structure all enhance the ability of the managers to execute a flexible investment policy.

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 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 charging 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 schemes.

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 of these schemes may be obtained from the Secretary.

CHAIRMAN'S STATEMENT

EARNINGS

Earnings per share for the year to 31st January 1992 show an increase of 7.0%. In the light of the progressively more difficult background for dividend income, declining interest rates available on cash balances and little benefit this year from currency movement, this result can be said to be satisfactory.

It is not easy to be optimistic about revenue prospects for the year that has just begun. As the duration of the recession has extended beyond even worst expectations, so the levels to which dividend payments had risen in the boom years have come increasingly to look, taken in the aggregate, excessive. Conservation of liquidity against a background of sharply lower sales, lower profit margins and hence often sharply reduced cash flow has now become the most urgent priority of many companies both at home and overseas. We are however in general confident of the underlying strength of the companies in our own portfolio.

DIVIDEND

The interim dividend was raised from 13p to 14p. The Board now recommends that the final dividend be increased from 27p to 29p, lifting the total from 40p to 43p, an increase of 7.5%.

Despite the present difficult climate this is a level of dividend which the Board expects to be able to maintain from current earnings. Indeed, unless the economic background deteriorates beyond present expectations, we would hope to be able to continue our long unbroken record of dividend growth, albeit on a more modest scale than in recent years.

CAPITAL

Our net asset value per stock unit has increased by 21.2% over the twelve months which compares very satisfactorily with the increase in the FTA All-Share Index for the same period of 18.5%. Most of the year's rise took place in the first six months as stock markets recovered from the uncertainty created by the Gulf War. We owe the greatest element of our own good relative performance to the comparative strength of Wall Street, the largest proportion of our portfolio outside the UK, and particularly to that of many of our substantial individual US holdings which have had another very good year.

OUTLOOK

The economies of the Group of Seven countries are generally at a very low ebb. They are at or near that point in the cycle where statistics, which reflect the past, are either still deteriorating or are at their bleakest and where any evidence of future improvement is insubstantial. Progress towards recovery will be slow and must depend on some restoration of consumer and business confidence. Lower inflation and lower interest rates are the first welcome moves in that direction, but a degree of political predictability both internationally, in particular in the area of world trade, and domestically, is an essential ingredient still lacking. Meanwhile, as stock market values have until very recently demonstrated, investors seem prepared to take a more sanguine view of the longer term outlook than many feel is justified by the short-term evidence.

We ourselves are active in the continual process of adjusting our holdings not only defensively but to take advantage of changing values and prospects while eschewing short-term or speculative temptations. Our equity portfolio is well diversified with a broad geographical spread in strong and well established companies. We have no borrowing and a small cash reserve.

Our leasing companies have had another active year. Leasing receivables now approach £60m and satisfactory results reflect very creditably on the quality of the business on which this activity has been developed.

Funds managed within our Savings Scheme and PEP, which are open only to those who are or become Alliance or Second Alliance Trust stockholders, have nearly doubled in the year and now exceed £60m, a success which has also added significantly to the number of our stockholders. Encouraging as this is we do not think it desirable to restrict, for that objective, the flexibility of investment management on which the strength of the Company relies. We have not therefore sought to qualify for the higher PEP limits. The outcome of the forthcoming election, together with a change in the regulations proposed in the recent Budget, will undoubtedly cause us to keep this decision closely under review.

BOARD AND MANAGEMENT

Mr. Alan Young, who has been a Manager since 1986, was appointed a director on 1st January 1992, and stockholders were advised in the Interim Report of Mr. Bruce Johnston's co-option to the Board in August 1991. Both these appointments fall to be approved at the Annual General Meeting when stockholders will be asked to authorise an increase from £40,000 to £50,000 in the aggregate sum, last reviewed in 1989, available for the total of fees paid to non-executive directors.

Mr. Gavin Suggett was appointed Deputy Managing Director on 1st January 1992.

The executive has deservedly had recognition amongst investment trust managers for the Company's premium performance over periods of both three and five years. Looking at our year end to 31st January 1992 it is commendable, too, that the Company's net asset value was within a fraction of matching the FTA All-Share Index over five years and had out-paced it over one, three and ten years. Each successful year poses a harder challenge for the next but we have demonstrably good reason to place the greatest continuing confidence in Lyndon Bolton and his whole team at Reform Street.

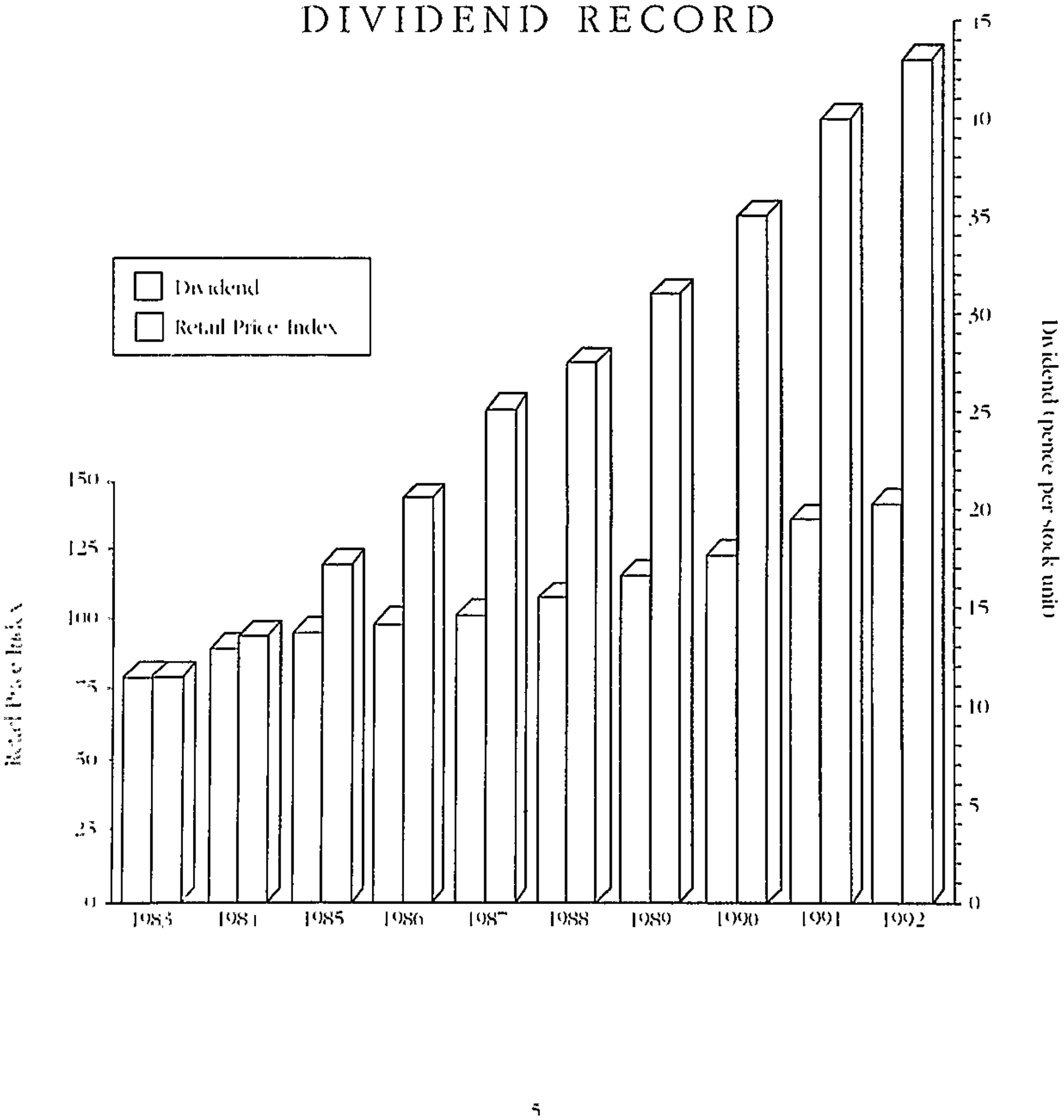
16th March 1992 — Robert Smith

FINANCIAL HIGHLIGHTS

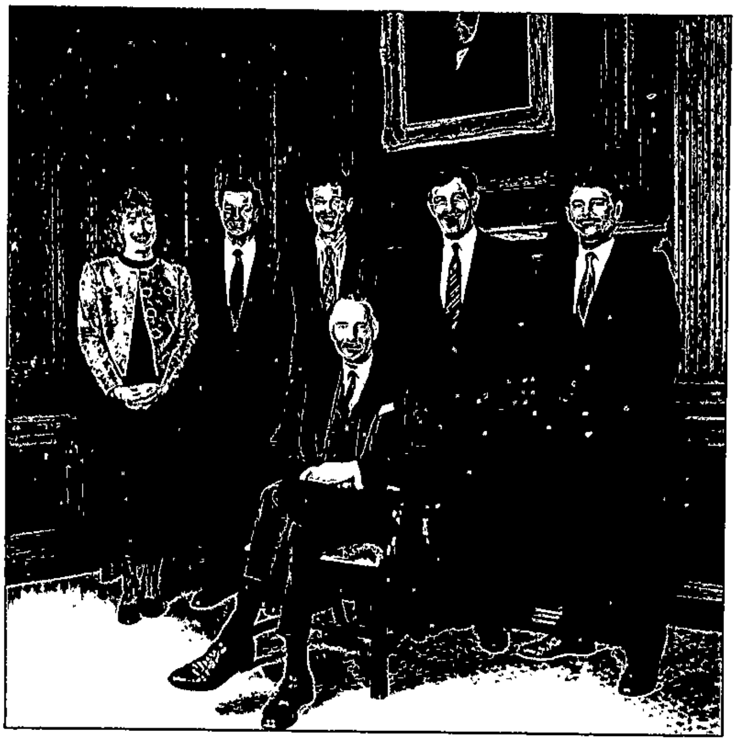
for the year to 31st January 1992

Income	**1992**	1991
Gross Revenue	**£32.1m**	£30.3m
Earnings per ordinary stock unit	**43.50p**	40.66p
Dividend per ordinary stock unit	**43.00p**	40.00p
Capital		
Total assets less current liabilities	**£779.6m**	£628.6m
Net asset value per ordinary stock unit	**£15.39**	£12.39

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

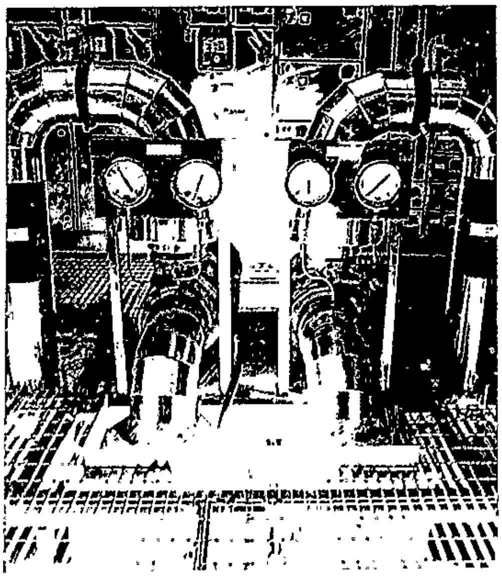
Investment Changes £000

	UK	North America	Continental Europe	Far East	Total
Valuation at 31st January 1991	314,389	186,322	62,827	34,779	598,317
Purchases	54,120	9,985	13,125	28,298	105,528
Sales	(37,718)	(28,187)	(11,946)	(18,224)	(96,375)
Appreciation	60,294	67,523	10,152	10,100	148,069
Valuation at 31st January 1992	391,085	235,343	74,158	54,953	755,539

UNITED KINGDOM

At our last year end it was possible to look towards a promising performance from UK equities and, overall, the market has not disappointed; a rise of 18.5% over the 12 months about equalled that of Wall Street in local currency terms and outperformed gilts. However, much of that performance is due simply to the coincidence of the beginning of the company's year with virtually the deepest of the market's gloom then surrounding the situation in the Middle East and, in fact, two thirds of the UK appreciation took place in the first month of our year. Our UK portfolio outperformed the FTA All Share Index by 1%.

The Gulf situation only magnified the already apparent recessionary forces at work, particularly in the UK. Over the course of the year under review, profits reported by industrial companies fell by 15%. Dividend growth from the average equity showed an increase of only 1.8%, a very modest rise by comparison with that of the 1980s, albeit just ahead of the rise in the UK Retail Prices Index for the same period. The results from the financial sectors within that average were mostly worse and the overall increase relied heavily on the dividends paid by the privatised utilities which now constitute a large proportion of the UK market.



Takeover activity has remained low but the portfolio has benefited from a few agreed bids, most notably for our holding in STC.

The economy will improve only gradually as consumers very cautiously switch from reducing their debts back to spending. Anxieties remain about levels of medium term confidence for many areas of the economy and it is not yet clear what will be the effects of, for example, a lower inflationary environment or high, persistent levels of unemployment on consumption or on many expectations, assumptions or, indeed, asset values which have hitherto been taken for granted.

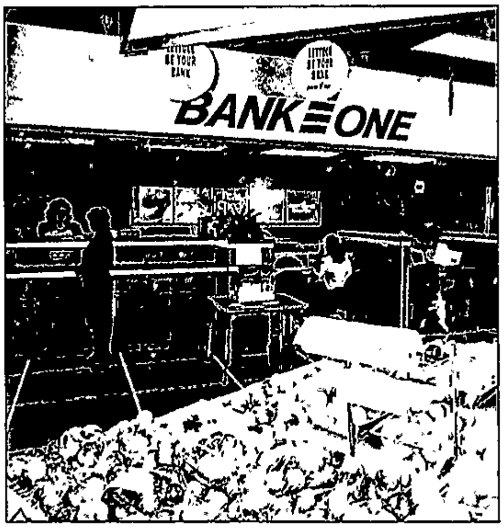
Share prices are, in aggregate at least, fairly valued in a historical context but remain cheap by international comparison. Profits of the more cyclical companies should begin to show some recovery, possibly at some point in 1992 and more clearly in 1993. Margins are set to benefit from a lower rate of wage settlements and other costs. While political uncertainties may or may not be resolved by the coming election, the unusual present relationship of the political and economic cycles could give scope to the next government, under the restraints of the ERM, to be seen, ultimately, to generate soundly based, non inflationary real economic growth. That could support not only good profits growth but also a rerating of the UK market. Dividends will, however, take some time to catch up, while cover is rebuilt. Our policy in stock selection is, therefore, to remain cautious and to continue to keep a watchful eye on the dividend paying capacity of our holdings.

NORTH AMERICA

When the Gulf War ended in late February the market quickly sensed that a significant brake on consumer and business confidence had been lifted and that a turning point in the economic outlook might have been reached. This sudden shift in psychology, together with some, as it turned out temporary, stronger economic figures and a stubbornly high inflation rate, caused interest rates to reverse their previous downward trend. By the summer however, it became clear that the post war spurt in consumer confidence and housing activity was faltering badly and further discount rate cuts ensued. The market remained in a trading range during the summer, reflecting the murky economic background.

By the end of the year sentiment was dominated by news of some well known businesses laying off many thousands of employees in company restructurings and although this had been common place in manufacturing industry, it is a new phenomenon in the service and financial areas. The related deterioration in consumer confidence to levels below those reached during the Middle East war, and back to the levels recorded during the depths of the 1980 downturn, forced the Federal Reserve to cut the discount rate in December by one full percentage point, the biggest cut for a decade and to the lowest level since 1964.

The high level of write-offs, provisions and the restatements of previously announced profits to recognise a change in the rules on accounting for future healthcare costs meant that it became virtually impossible to determine the genuine level of corporate profitability. Hence the market has been able to ignore earnings, and to respond to lower interest rates. The S & P composite index rose by 19% over the year or 30.5% adjusted for the stronger dollar.



BANC ONE CORP   INVESTMENT £2,291,000

NEW BANKING CENTRES, OPEN 7 DAYS A WEEK, ARE BEING OPENED IN MAJOR GROCERY STORES IN SUBURBAN AREAS

The company is the largest bank holding company in Indiana and the second largest in Ohio, where it is headquartered

Our US portfolio outperformed the S & P composite index by 6%, a slightly narrower margin than the previous year's 9% relative gain. Heavy exposure to the healthcare sector was a prime contributor to this performance, especially Merck which rose by 72%, and retail stocks again featured highly on the list of out-performers with Wal-Mart, our largest holding, appreciating by 63% while Hechinger and Home Depot more than doubled. In addition, gains in excess of 50% were recorded by all our financial stocks except Marsh & McLennan, an insurance broker, which is still being adversely affected by depressed premium rates. Growth stocks which are susceptible to changes in economic conditions such as Federal Signal, WW Grainger, Imcera, A. Schulman and Sensormatic also performed well and OEA, our best performing

IMCERA GROUP INC   INVESTMENT £1,932,000

THE WORLDWIDE VETERINARY MARKET IS AN IMPORTANT AREA FOR THE COMPANY

An Illinois company, the group provides health care products and specialty chemicals worldwide

stock in 1990 with a rise of 180%, recorded a further doubling in price in 1991. The energy sector and our telephone utilities continued to be the main negative influences on portfolio performance.

During the year we sold £19.1m from the US portfolio, primarily in the healthcare and retail sectors, the former due to the increasing political concern over rapidly rising medical costs which now consume nearly 12% of total GNP. We reduced our large and very highly valued Wal-Mart holding and sold out of Charming Shoppes, switching some of the proceeds into Hechinger and Lowes, the DIY retailers which will benefit from a housing and construction recovery.

We used the strong recovery in the industrial stocks in the early part of the year to dispose of Emerson Electric, Lawter International and Loral, our last remaining pure defence investment. Later in the year however, we returned to the industrial sector with additions to American Cyanamid, Illinois Tool Works, Nalco, RPM and new purchases of CBI Industries and Federal Signal, the emergency vehicle manufacturer.

The fiscal package outlined by the President in his State of the Union address could, if passed by Congress, add 0.5% to GNP growth over the next year although the cost of implementing the proposals will push the budget deficit over $400bn this year, and still leave it well above $300bn next year even with an economic recovery. Interest rates are unlikely to rise significantly during the run up to the November election given the promising outlook for inflation.

Although shares are highly valued demand should remain strong. Falling interest rates have enhanced the relative attractiveness of equities over bonds for many individuals since the current 4% yield on CDs and money market funds, after tax and inflation, now represents a negative real rate of return for most investors. Such are the orders of magnitude, it has been hypothesized that a switch from cash to equity holdings by US households of only 0.5% from 18.0% to 18.5%, would be sufficient to create a demand greater than the net annual purchasing requirements of all US investment institutions combined. However the high volume of new issues will absorb some of this demand.

Strong profits growth can be expected although perhaps not until 1993 when an improving economy, low interest rates, high operational gearing and on-going cost savings from restructurings could have a dramatic impact on company earnings per share.

CONTINENTAL EUROPE

Those continental bourses to which we are exposed saw positive performance over the past year, with gains of up to 20% apart from Austria which fell 1%. Currency has, of course, had little extra influence on performance as sterling has now been a member of the ERM for over a year. Most market gains were achieved early in 1991 following the end of the Gulf War. However, any hoped for economic recovery has proved elusive with now even Germany, the strongest economy and beginning to enjoy the benefits of integration, showing some signs of weakness although growth for 1991 as a whole reached 3.2%. Interest rates which eased early in the year have since increased as inflationary pressures in Germany caused the Bundesbank to raise them to levels not seen since the Second World War.

BSN GROUP   INVESTMENT £1,921,000

PART OF THE GROUP'S PRODUCT RANGE

This French company is a major force in the food product and packaging businesses.

Crown Way Cardiff CF14 3UZ
www.companieshouse.gov.uk

NOTICE OF ILLEGIBLE DOCUMENTS

Companies House regrets that documents in this company's microfiche record have pages which are illegible.

This has been noted but unfortunately steps taken to rectify this were unsuccessful.

Companies House would like to apologise for any inconvenience this may cause.

During the year the number of holdings in Germany has been reduced, including sales of Allianz, Strabag and Mannesman and most of the smaller engineering and machine tool companies where US and, particularly, Japanese competition is most intense. New holdings have been established in Preussag, a company specialising in trade and transport, Suedzucker, originally a sugar company, but which now also produces ice cream, frozen food and cakes, Herlitz, one of the leading producers of paper goods, office products and writing materials and Deutsche Bank. Elsewhere, we have taken new holdings in Smoby, a small French toy manufacturer, Sphinx, a Dutch based sanitary-ware producer and Astra, the rapidly growing Swedish pharmaceutical company. Additions have also been made to holdings in Alcatel Alsthom, Eurodisney, through a convertible issue, and Iberdrola and UCB. Sales have included Corporacion Mapfre, some Ahold and also Poliet which was taken over by Paribas.

Despite recent wage pressure in Germany, under the influence of integration, inflation is not a problem over much of the rest of Europe, but the tight monetary conditions and slowing down of German demand means that growth will be very hard to achieve. A return to sustainable growth may not be visible until 1993. However, valuations do not appear excessive and over the year we were small net purchasers. When interest rates do eventually come down they should be able to do so fairly significantly, in turn providing a boost to equity markets.

FAR EAST

Although the Japanese economy recorded real growth of over 4% in 1991 there have been increasingly clear indications that certain sectors were running into difficulty as a result of the sharp rises in interest rates from the previous year, the unwinding of excesses stemming from the then loose monetary conditions and a generally sluggish world economy. In particular the housing and manufacturing components industries suffered from sharply lower demand and rising unsold stocks. However, encouraging factors have been lower inflation and, despite the weak world economy, an improving trade surplus, which helped the currency to strengthen and allowed the Bank of Japan to cut interest rates on three consecutive occasions.

The stock market was virtually unchanged over the year but this obscures another difficult and disappointing period for Japanese equities. A post Gulf War rally took the market to its high for the year by mid March, from which it had fallen 20% by the year end. Disappointing corporate profits, concerns over real estate values, financial scandals, political worries and the liquidation by companies of their share portfolios have all combined to drive prices lower despite some aggressive buying from overseas.

We cautiously increased our low weighting in Japan by investing some A$7m. Purchases were spread between additions to existing holdings such as Shin-Etsu Chemical and the retailer Ito Yokado, while new holdings included the utility Osaka Gas and the regional supermarket chain, York-Benimaru. We sold our holding in the electrical engineering company Kyudenko, which had performed extremely well.

Elsewhere in Asia, Hong Kong rose strongly by 43%. We purchased Hong Kong and Shanghai Bank and the conglomerate Hutchison Whampoa, and took a new position in the property company Sun Hung Kai. We added to our Hong Kong Electric holding and took some profits in Jardine Matheson. A disappointment was the performance of the retailer Dairy Farm and we have reduced our holding. A new holding in Malaysia was the locally quoted arm of the BTR Group, Nylex (Malaysia) and we have added to Sime Darby and the leisure company, Resorts World. In Singapore we reduced our position in Development Bank of Singapore but have taken a new holding in Jurong Shipyard.

GIBSON CHEMICAL INDUSTRIES LTD
INVESTMENT A$2,753,000

THE FOOD SERVICE INDUSTRY IS AN IMPORTANT CUSTOMER FOR GIBSON

An Australian manufacturer of cleaning, maintenance and processing chemicals used for a wide range of applications

Australia also performed well rising by 21%, and there we made net additions of some A$3m through new holdings which include the building materials company Pioneer International and the soft drinks company Coca-Cola Amatil. These more than offset a big reduction in the BTR Nylex holding and some profit taking in Brambles, the transport group.

L R Marilyn Rowan (PEP Administrator), Iain Smith (Chief Accountant)
Sheila Gates (Company Secretary), Seated Gavin Suggett (Deputy Managing Director)

BANKING AND SAVINGS OPERATIONS

In a year when many banks reported low profits, Alliance Trust (Finance) Limited ("ATF") has increased its after tax profit by 2[illegible]% to £1.9m, and has produced an after tax return of 12% on equity capital. This was achieved by a combination of factors: increased investment, favourable interest rates, reduced corporation tax rates, an excellent payment record by customers and a continued growth of the savings products.

During the year the various businesses which make up ATF expanded on all fronts and the capital base was enlarged by a further £[illegible]m of subordinated loan stock. High interest rates are an important determinant of ATF's profits but the coming year should see continued progress.

Banking and Finance

ATF has followed a counter cyclical leasing policy over the last few years, with virtually no expansion in its portfolio in the late 1980's when competition was intense and then significant growth in the last two years as profit margins have re-emerged and competition has fallen away. The 1991/92 new business of £26m was lower than the previous year with many investment projects being postponed, but the overall size of the portfolio increased by 2[illegible]% to £57m and its high quality nature has been maintained.

The portfolio was financed by the new loan stock, by bank finance and by retail deposits which doubled to £11.7m. The expansion of the latter came from the Alliance TESSA and from the continued growth in the savings products.

Savings Products

Investors' assets in the Alliance Savings Scheme and in the Alliance PEP doubled over the year to over £60m and the demand for the Alliance PEP continues to be very strong. In January 1992 a Single Company PEP, accelerated purchasing and a number of other improvements were introduced with a new PEP booklet. An enhanced Savings Sch[illegible] has also been introduced.

Alliance Trust Savings Limited ("ATS") has benefited from this expansion, from economies of scale and from low marketing costs and this activity continues to make a valuable contribution to ATF. The prospects for 1992 ahead of the election are uncertain but it is expected that, whatever the outcome, ATS will continue to provide the Company's stockholders with a useful and economic service.

FORTY LARGEST EQUITY INVESTMENTS

Company	Value £000	Main Activity	Country of Incorporation
Shell Transport & Trading	25,438	Oil	UK
Glaxo Holdings	13,816	Pharmaceuticals	UK
Wal-Mart Stores	13,255	Discount stores	USA
Philip Morris	13,161	Consumer products	USA
Rentokil Group	12,712	Environmental services	UK
Johnson & Johnson	12,432	Health care	USA
British Telecommunications	11,482	Telephone utility	UK
PepsiCo	10,266	Food manufacturing	USA
British Gas	9,713	Gas utility	UK
Merck	9,507	Pharmaceuticals	USA
Reckitt & Colman	9,252	Consumer products	UK
Unilever	8,352	Food manufacturing	UK
Humana	8,301	Hospital management	USA
Allied-Lyons	8,284	Brewing and food	UK
Abbott Laboratories	8,115	Health care	USA
Schering	8,027	Pharmaceuticals	Germany
BAT Industries	7,626	Conglomerate	UK
Pacific Telesis	7,430	Telephone utility	USA
Barclays	7,182	Banking	UK
British Petroleum	7,051	Oil	UK
Gehe	7,017	Pharmaceuticals distributor	Germany
Bristol-Myers Squibb	6,961	Health care	USA
Marks & Spencer	6,515	Multiple stores	UK
Imperial Chemical Industries	6,455	Chemicals	UK
General Electric	6,432	Electrical equipment	USA
Thorn EMI	6,139	Leisure	UK
Great Universal Stores	6,110	Mail order shopping	UK
Dun & Bradstreet	6,109	Business services	USA
Waste Management	5,949	Waste disposal	USA
Wolverhampton & Dudley Breweries	5,864	Brewing	UK
BTR	5,652	Industrial materials	UK
BellSouth	5,620	Telephone utility	USA
SmithKline Beecham	5,573	Pharmaceuticals	UK
Guinness	5,553	Brewing	UK
General Electric	5,508	Electrical	UK
Electrocomponents	5,463	Electrical parts distributor	UK
W H Smith	5,247	Multiple stores	UK
Slough Estates	5,239	Property	UK
EMAP	5,181	Publishing	UK
Marsh & McLennan	5,053	Insurance	USA

The above investments represent 45.0% of the Company's total equity holdings excluding the investment in Alliance Trust (Finance) Limited.

CLASSIFICATION OF INVESTMENTS

CLASSIFICATION	UK	North America	Continental Europe	Far East	**Total 1992**	Total 1991
EQUITIES (INCLUDING CONVERTIBLES*)	%	%	%	%	%	%
Capital Goods	**4.7**	**2.3**	**1.9**	**1.4**	**10.3**	12.2
Aerospace	0.2	0.3	—	—	**0.5**	0.9
Building and Construction	0.5	0.1	0.7	0.3	**1.6**	2.1
Electrical and Electronics	1.8	1.3	0.6	0.6	**4.3**	5.4
Engineering	1.0	0.1	0.2	0.3	**1.6**	1.5
Metals and Metal Forming	—	—	0.2	—	**0.2**	—
Motors	0.3	0.3	0.2	0.1	**0.9**	1.1
Other Industrial Materials	0.9	0.2	—	0.1	**1.2**	1.2
Consumer Goods	**21.2**	**12.7**	**5.8**	**1.9**	**41.6**	37.3
Brewers and Distillers	4.2	0.2	—	0.1	**4.5**	4.0
Food Manufacturing	2.7	1.5	0.9	0.2	**5.3**	3.6
Food Retailing	1.5	0.1	1.1	0.4	**3.1**	3.1
Health and Household Products	4.1	5.0	1.4	0.2	**10.7**	10.8
Leisure	2.0	0.2	0.2	0.2	**2.6**	2.2
Media	1.0	0.5	—	0.1	**1.6**	1.6
Packaging, Paper & Printing	0.5	0.1	0.1	0.1	**0.8**	0.7
Stores	4.2	3.4	2.1	0.4	**10.1**	8.8
Textiles	—	—	—	0.1	**0.1**	—
Miscellaneous	1.0	1.7	—	0.1	**2.8**	2.5
Other Groups	**12.9**	**13.0**	**1.4**	**2.5**	**29.8**	28.9
Business Services	2.2	0.9	—	—	**3.1**	3.0
Chemicals	2.4	2.2	—	0.6	**5.2**	4.0
Hospitals and Hospital Services	—	1.1	—	—	**1.1**	1.3
Office Equipment	—	0.2	0.1	0.1	**0.4**	0.4
Oil and Gas	5.5	2.3	0.2	0.2	**8.2**	9.4
Public Utilities	2.6	4.4	0.6	0.4	**8.0**	6.8
Transport	0.2	—	—	0.1	**0.3**	0.4
Miscellaneous	—	1.9	0.5	1.1	**3.5**	3.6
Financial	**10.2**	**1.8**	**0.4**	**1.3**	**13.7**	15.6
Banks and Finance	3.4	1.1	0.3	0.4	**5.2**	5.4
Insurance	2.4	0.7	—	0.1	**3.2**	4.1
Investment Trusts	1.0	—	0.1	0.4	**1.5**	1.9
Property	1.7	—	—	0.3	**2.0**	2.0
Miscellaneous	1.7	—	—	0.1	**1.8**	2.2
Total Equities	49.0	29.8	9.5	7.1	95.4	94.0
FIXED INTEREST						
Preference and Loan Stocks	1.3	—	—	—	1.3	0.9
Total Investments	50.3	29.8	9.5	7.1	96.7	94.9
OTHER NET ASSETS	(0.9)	1.8	0.9	1.5	3.3	5.1
TOTAL ASSETS (LESS CURRENT LIABILITIES)						
1992 £779.6m	**49.4**	**31.6**	**10.4**	**8.6**	**100.0**	
1991 £628.0m	50.8	31.5	10.9	6.8		100.0

* Convertibles represent 2.5% (2.2%)

REPORT OF THE DIRECTORS

The directors present their report and the accounts for the year ended 31st January 1992.

DIVIDENDS

The Board recommends a final dividend of 29.0p per ordinary stock unit which, together with the interim of 14.0p paid on 11th October 1991, makes a total of 43.0p for the year compared with 40.0p for the previous year. The surplus of £252,000 is transferred to revenue reserve.

STATUS

The Company, which is an investment company within the meaning of section 266 of the Companies Act 1985, has received approval as an investment trust from the Inland Revenue in respect of the year ended 31st January 1991 and has subsequently directed its affairs to enable it to continue to seek such approval. It is not a close company under the provisions of the Income and Corporation Taxes Act 1988. A review of the development of the business of the Company is given in the Management Review, the outlook for the Company being referred to in the Chairman's Statement.

DIRECTORS

Mr Bruce W M Johnston and Mr Alan M W Young were appointed to the Board on 16th August 1991 and 1st January 1992 respectively. Resolutions approving their appointments will be submitted at the annual general meeting. Otherwise, the directors who served throughout the year are as listed below. Sir Robert Smith retires by rotation from the Board and, being eligible, offers himself for re-election. Mr Johnston and Sir Robert Smith do not have service contracts with the Company and Mr Young's service contract is terminable by the Company at three years notice.

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 or any member of his immediate family has been granted options to subscribe for shares or debentures in the Company or in any body corporate in the same group as the Company. The interests of the directors in the ordinary stock of the Company are given below.

		31st January 1992	1st February 1991
Christopher Blake	Beneficial	1,858	1,610
	As trustee	7,200	5,000
Lyndon Bolton	Beneficial	2,190	2,180
Sir Douglas Hardie	Beneficial	886	859
	As trustee	2,200	—
Bruce W M Johnston	Beneficial	200	200 *
	As trustee	10,966	10,966 *
Sir Robert Smith	Beneficial	1,000	1,000
Gavin R Suggett	Beneficial	412	412
	As trustee	5,552	4,341
Andrew F Thomson	Beneficial	10,832	11,432
	As trustee	184,310	204,292
Alan M W Young	Beneficial	908	908 *

* on appointment

On 25th February 1992 Mr Lyndon Bolton acquired a further beneficial interest in 112 ordinary stock units as a result of participation in the Alliance Personal Equity Plan. On the same date Mr Gavin R Suggett, as trustee, acquired a further interest in 29 ordinary stock units as a result of participation in the Alliance Dividend and Savings Investment Scheme. Apart from these transactions, there have been no changes in these holdings between 1st February 1992 and 16th March 1992.

The aggregate sum available for directors' fees was last reviewed in 1989 and a resolution will be put to the annual general meeting to increase that aggregate from £40,000 to £50,000.

STOCKHOLDERS

The Company has received notification of the following holdings of more than 3% of its ordinary share capital.

	Ordinary stock units	
British Coal Staff Superannuation Scheme and Mineworkers' Pension Scheme	6,530,894	(12.96%)
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

S M Gates Secretary

Dundee, 16th March 1992

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.

d. Interest payable and management expenses are treated on an accruals basis.

e. 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.

f. Foreign assets and liabilities are valued using the middle rates of exchange ruling at the year end. Foreign income is converted at the rate of exchange applicable on receipt.

g. 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.

h. 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 1992

	Notes	1992		1991	
INCOME					
Income from Investments		**£000 Listed**	**£000 Unlisted**	£000 Listed	£000 Unlisted
UK dividends		**17,040**	**102**	16,897	47
UK interest		**327**	—	126	42
Overseas dividends		**8,751**	—	8,248	—
Overseas interest		**209**	**25**	141	33
Mineral royalties		—	**355**	—	360
Dividends from subsidiary		—	**350**	—	350
Interest on loan to subsidiary		—	**398**	—	458
		26,327	**1,230**	25,412	1,290
Total Income from Investments			**27,557**		26,702
Other Income					
Interest received	2	**4,395**		3,515	
Underwriting commission		**128**		58	
			4,523		3,573
Total Income			**32,080**		30,275
EXPENSES, INTEREST & TAXATION					
Management expenses		**1,336**		1,201	
Audit fee		**11**		10	
Administration expenses	1	**1,347**		1,211	
Interest payable	2	**89**		81	
			1,436		1,292
Revenue before Taxation			**30,644**		28,983
Taxation	3		**8,652**		8,423
Revenue after Taxation			**21,992**		20,560
DIVIDENDS					
Preference Stock			**68**		68
			21,924		20,492
Ordinary Stock:					
Interim paid — 14.0p (13.0p)		**7,056**		6,552	
Final proposed — 29.0p (27.0p)		**14,616**		13,608	
			21,672		20,160
REVENUE RESERVE					
Surplus revenue for the year			**252**		332
Balance at 1st February 1991			**8,992**		8,660
Balance at 31st January 1992			**9,244**		8,992
Earnings per ordinary stock unit	4		**43.50p**		40.66p

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

BALANCE SHEET

as at 31st January 1992

	Notes	1992 £000	1992 £000	1991 £000	1991 £000
FIXED ASSETS					
Investments	5				
Listed in the UK		370,586		296,931	
Listed overseas		359,063		278,961	
Unlisted and mineral rights		6,192		5,727	
Subsidiary company	6	19,698		16,698	
			755,539		598,317
Office Premises	7		450		450
CURRENT ASSETS					
Debtors					
Sales for future settlement		3,721		5,714	
Other debtors		—		5	
Taxation recoverable		1,241		755	
Cash at bank and in hand		38,887		39,430	
		43,849		45,904	
Creditors: due within one year					
Purchases for future settlement		5,498		1,966	
Other creditors		29		53	
Taxation		67		460	
Dividends		14,650		13,642	
		20,244		16,121	
Net Current Assets			23,605		29,783
Total Assets less Current Liabilities			779,594		628,550
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	8		2,200		2,200
50,400,000 25p ordinary stock units		12,600		12,600	
Reserves					
Capital reserves	9	753,902		603,110	
Revenue reserve		9,244		8,992	
			775,746		624,702
			779,594		628,550

The financial statements on pages 15 to 22 were approved by the Board on 16th March 1992 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:	1992 £	1991 £
Directors' emoluments:		
Fees	31,223	26,500
Management remuneration	147,867	125,025
Pension contributions	38,702	33,130
	217,792	184,655

In addition, fees totalling £7,928 (£6,500) 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:

	1992	1991
Chairman	11,250	10,500
Highest paid director	87,010	76,621

Directors, including the above

£0 - £5,000	2 (—)		£55,001 - £60,000	1 (—)
£5,001 - £10,000	3 (3)		£75,001 - £80,000	— (1)
£10,001 - £15,000	1 (1)		£85,001 - £90,000	1 (—)
£45,001 - £50,000	— (1)			

The Company shares the cost of employing 31 (28) 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 £298,000 (£317,000), pension contributions £72,000 (£83,000) and social security contributions £30,000 (£33,000). In order to supplement pensions in the course of payment, annuities were purchased during the year at a cost to the Company of £38,419 of which £23,576 related to former executive directors.

Lease rentals paid during the year were £59,000 (£46,000). Future rental commitments net of finance charges under finance leases total £37,000 (£21,000) within one year and £39,000 (£11,000) thereafter.

2. INTEREST

	£000	£000
Interest received includes interest from subsidiary	602	171
Interest payable on loans repayable within 5 years	15	7
Interest on all other loans	74	74
	89	81

3. TAXATION ON REVENUE

Corporation tax at 33.16% (35%)	4,373	4,100
Less: relief for overseas tax	1,294	1,248
	3,079	2,852
Overseas tax	1,294	1,248
Tax credit on franked investment income	4,373	4,323
Prior year adjustment	(94)	—
	8,652	8,423

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 £21,921,000 (£20,492,000) 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 1991	187,328	207,651	4,064	8,400	407,443
Unrealised appreciation	109,603	71,310	1,663	8,298	190,874
Valuation at 31st January 1991	296,931	278,961	5,727	16,698	598,317
Movements during year					
Transfers	—	256	(256)	—	—
Purchases - cost	48,351	50,937	240	6,000	105,528
Sales - proceeds	(34,718)	(58,614)	(43)	(3,000)	(96,375)
- profits	8,318	20,021	—	—	28,339
Increase in unrealised appreciation	51,704	67,502	524	—	119,730
Valuation at 31st January 1992	370,586	359,063	6,192	19,698	755,539

6. SUBSIDIARY COMPANY

The Company owns 600,000 ordinary shares (75%) in Alliance Trust (Finance) Limited, a company incorporated in Scotland, whose main activity is banking in the UK. Its subsidiaries, Seedee Leasing Limited, Alliance Trust (Finance) No.4 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.
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 December 1990 and has been used as a basis for the valuation of the Company's interests.

	1992 £000	1991 £000
600,000 ordinary shares of £1 each	**13,698**	13,698
£6m (£3m) floating rate subordinated loan notes	**6,000**	3,000
	19,698	16,698

7. OFFICE PREMISES

	1992	1991
Valuation at 31st January 1991	**450**	170
Surplus on revaluation	**—**	280
At 31st January 1992	**450**	450

8. PREFERENCE STOCK

	1992	1991
	£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

9. CAPITAL RESERVES

	Note	Realised	Unrealised	Total
		£000	£000	£000
Capital reserves at 31st January 1991		411,956	191,154	603,110
Profits realised	5	28,339	—	28,339
Increase in unrealised appreciation	5	—	119,730	119,730
Profits on currency transactions		2,705	—	2,705
Premiums from mineral rights		18	—	18
Capital reserves at 31st January 1992		443,018	310,884	753,902

10. CONTINGENT LIABILITIES

There were contingent liabilities at 31st January 1992 of £154,000 (£739,000) in respect of underwriting. An amount of £2,629,000 (£60,000), of which £1,240,000 (nil) is due outwith one year, 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.

11. 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 was £111,000 (£116,000) which represents 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, by 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.

12. ALLIANCE TRUST (FINANCE) LIMITED

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

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

	1992	1991
	£000	£000
Gross earnings on finance leases	5,399	3,926
Other income: PEP and Savings Scheme charges	188	101
Total income	5,587	4,027
Net interest paid	(2,286)	(1,209)
Operating costs	(659)	(459)
Profit on ordinary activities before taxation	2,642	2,359
Taxation	(743)	(822)
Profit on ordinary activities after taxation	1,899	1,537
Minority interest	(39)	(25)
Profit for the year	1,860	1,512
Dividend	(350)	(350)
Retained profit	1,510	1,162

Consolidated Balance Sheet as at 31st January

	1992	1991
Finance lease receivables:		
Due within one year	20,276	15,447
Due after one year	37,274	30,033
Money at call and short notice	4,757	4,489
Total assets	62,307	49,969
Financed by:		
Deposit accounts	11,741	5,952
Bills of exchange	11,000	10,000
Net current liabilities	8,799	11,501
Deferred taxation	6,535	3,799
Minority interest	192	187
	38,267	31,439
Subordinated loan notes	8,000	4,000
Shareholders' funds	16,040	14,530
Total funding	62,307	49,969

Notes

a. These financial statements have been prepared under the historical cost convention, and include the accounts of subsidiary companies for the year to 31st January, with the exception of Alliance Trust Savings Limited whose results are included for the year to 31st December.

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 £172,000 (£211,000) of such costs.

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

Full sets of the report and accounts are delivered to the Registrar of Companies in Edinburgh.

SOURCE AND APPLICATION OF FUNDS

for the year ended 31st January 1992

SOURCE OF FUNDS

	1992		1991	
	£000	£000	£000	£000
Revenue before taxation		30,644		28,983
Net sale of investments		—		26,490
Appreciation of foreign currency balances		2,705		—
Premiums from mineral rights		18		5
		33,367		55,478
APPLICATION OF FUNDS				
Dividends paid	20,732		19,220	
Net purchase of investments	9,153		—	
Taxation paid and suffered	9,531		8,975	
Depreciation of foreign currency balances	—		2,481	
		39,416		30,676
Total increase/(decrease) in liquidity		(6,049)		24,802
Increase (decrease) in debtors	(1,998)		5,347	
Decrease (increase) in creditors	(3,508)		4,146	
Increase (decrease) in cash and short-term deposits	(543)		15,309	
Total increase/(decrease) in liquidity		(6,049)		24,802

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 1992 and of its revenue and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Peat Marwick

Dundee, 16th March 1992

KPMG PEAT MARWICK
Chartered Accountants
Registered Auditor
Royal Exchange
Dundee

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
1983	291.8	11.7	6.5	12.70	12.30	5.60
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	32.4	21.9	43.50	43.00	15.39

FINANCIAL CALENDAR

ANNOUNCEMENTS

Final dividend and year-end results	16th March 1992
Report and accounts sent to stockholders	25th March 1992
Interim results	17th August 1992

MEETINGS

Annual general meeting	24th April 1992

DIVIDENDS AND INTEREST

Ordinary and preference stocks final	27th April 1992
Ordinary and preference stocks interim	9th October 1992
Debenture stock	15th May 1992 and 11th November 1992

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the One Hundred and Fourth annual general meeting of The Alliance Trust PLC will be held at MEADOW HOUSE, 64 REFORM STREET, DUNDEE, on Friday 24th April 1992 at 12.30 pm for the following purposes:-

ORDINARY BUSINESS

1. To receive the Report of the Directors and the Accounts for the year ended 31st January 1992.
2. To declare dividends.
3. To re-elect Sir Robert Smith as a director.
4. To approve the appointment of Mr Bruce W M Johnston as a director.
5. To approve the appointment of Mr Alan M W Young as a director.
6. To re-appoint KPMG Peat Marwick as auditors and to authorise the directors to determine their remuneration.

SPECIAL BUSINESS

7. To consider and, if thought fit, to pass the following Resolution which will be proposed as an Ordinary Resolution.

   "That, in accordance with Article 93 of the Company's Articles of Association, the directors' fees in aggregate be fixed at a sum not exceeding £50,000 per annum commencing 1st February 1992"

By Order of the Board
S. M. Gates
S M Gates Secretary
Dundee, 16th March 1992

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 27th April will be posted on 24th April to stockholders on the register on 2nd April.