

Thomson McLintock & Co

1454212

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TARGET HOLDINGS LIMITED
AND SUBSIDIARY COMPANIES

FINANCIAL STATEMENTS

31 DECEMBER 1984



1454212

TARGET HOLDINGS LIMITED
AND SUBSIDIARY COMPANIES

FINANCIAL STATEMENTS

31 DECEMBER 1984



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TARGET HOLDINGS LIMITED

DIRECTORS AND ADVISERS

Directors: Sir Peter Parker MVO (Chairman)
John Stone (Managing Director)
Paul Taylor
Brian Weston

Secretary: Brian Weston

Registered Office: Target House
Gatehouse Road
Aylesbury
Bucks HP19 3EB

Auditors: Thomson McLintock & Co

Bankers: Williams & Glyn's Bank plc

Solicitors: Bischoff & Co

TARGET HOLDINGS LIMITEDDIRECTORS' REPORT

The directors have pleasure in submitting their report and accounts for the year ended 31 December 1984.

Share capital

During the year the following alterations were made to the company's share capital as a result of the establishment of Target Group PLC as the new parent company.

- (a) the authorised and issued share capital was increased from £14,001,001 to £14,002,401 by the creation of 140,000 'A' ordinary shares of 1p each. This was achieved by the capitalisation of £1,400 of reserves.
- (b) these new 'A' ordinary shares were allotted on the basis of one for every 100 old 'A' ordinary shares of £1 each.
- (c) the 14,000,000 old 'A' ordinary shares of £1 each were converted into deferred shares of £1 each with no voting or dividend rights.

Activities

The company is an investment holding company and the main activities of its principal subsidiaries are the transaction of long-term life assurance and pension business, the management of unit trusts and the administration of unit trusts on behalf of clients.

During the period under review there was a high level of activity in national stock markets. Together with strenuous marketing efforts this contributed to a great increase in the sales of life assurance and unit trusts managed by the group.

Sales of units have remained buoyant in the early part of 1985. The group intends to keep under review the number of funds that it manages and augment them with new ones when the conditions are appropriate.

Group properties

During 1984 Target Life Assurance Company Limited acquired the freehold properties of Target House and adjacent sites in Aylesbury. The freehold property in respect of Target house was subsequently sold.

Results

The results of the group are set out in the consolidated profit and loss account. As noted in the accounting policies on page 5, the results of Target Life Assurance Company Limited have not been consolidated.

No interim dividend was paid (1983 - £158,000). The directors recommend the payment of a final dividend of £80,000 (1983 - £596,000).

TARGET HOLDINGS LIMITED

DIRECTORS' REPORT (continued)

Directors and their interests

The current directors are shown on page 1.

The directors' interests and dates of appointment and resignation are shown in note 24.

Charitable and political donations

No contributions were made during the year.

Disabled persons

It is the policy of the group to offer equal opportunity to disabled persons applying for employment having due regard to their aptitudes and abilities in relation to jobs available.

If any existing employee becomes disabled, every effort is made to ensure that continuity of employment and appropriate training is given.

The same opportunities are available to disabled persons as to other employees within the limitations of each individual's abilities.

Employee consultation

The company places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees of the company. This is achieved through formal and informal meetings and the company bulletin. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Current cost accounts

The directors are of the opinion that current cost accounts do not provide a meaningful current indication of the group's trading performance and accordingly they do not propose to issue current cost statements.

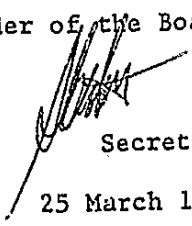
TARGET HOLDINGS LIMITED

DIRECTORS' REPORT (continued)

Auditors

The auditors, Thomson McLintock and Co are changing their name on 1 April 1985 to KMG Thomson McLintock. A resolution concerning the reappointment of KMG Thomson McLintock as auditors and their remuneration will be submitted at the annual general meeting.

By order of the Board


Secretary

25 March 1985

Target House
Gatehouse Road
Aylesbury
Bucks HP19 3ER

TARGET HOLDINGS LIMITED
AND SUBSIDIARY COMPANIES

ACCOUNTING POLICIES

1. Basis of preparation and consolidation

The accounts have been prepared on the historical cost basis of accounting and in accordance with s149 and s152 of, and Schedule 8 to, the Companies Act 1948. A consolidated profit and loss account has been presented for the group only as provided by s149(5) of the Companies Act 1948. The accounts conform with United Kingdom accounting standards except in respect of current cost accounts.

The group accounts consolidate the accounts of the company and all its subsidiaries with the exception of Target Life Assurance Company Limited ("TLA") and its subsidiary.

TLA carries on long term life assurance, pensions and annuity business and the directors believe that this business is so dissimilar from those of other companies within the group that full consolidation of the TLA accounts would be misleading. Accordingly group accounts have been prepared in the form of consolidated accounts for the company and its subsidiaries excluding TLA, together with separate consolidated accounts for TLA.

2. Investment in Target Life Assurance Company Limited

Each year the investment in Target Life Assurance Company Limited is revalued by the directors, based on an independent actuarial appraisal at the balance sheet date. This takes into account the net assets of the company and the value of policies in force at that time.

3. Investments

Investments are included at cost except for the investment in Target Life Assurance Company Limited which is valued in accordance with the above accounting policy.

4. Income

Turnover comprises amounts derived from the group's ordinary activities consisting of trading in units and fees receivable for the administration of unit trust management companies.

Income from unlisted investments is brought into account when received.

Income distributions from unit trust holdings and listed investments are accounted for at the dates that such holdings are quoted ex-distribution.

Income is inclusive of the related tax credits of gross of tax deducted.

5. Depreciation

Depreciation is provided so as to write off the cost of fixed tangible assets by equal instalments over their estimated useful lives as follows:

Equipment	-	Five years
Motor vehicles	-	Four years

TARGET HOLDINGS LIMITED
AND SUBSIDIARY COMPANIES

ACCOUNTING POLICIES (continued)

6. Stocks

Stocks of units held at the balance sheet date are value at the lower of cost and published bid value.

7. Deferred tax

Deferred tax is only provided on short term timing differences and on the excess of capital allowances over depreciation if material.

8. Group pension scheme

Certain employees and directors are included in the group pension scheme on the grounds of age or emoluments. The amounts charged against profit are calculated with actuarial advice and represent a proper charge to cover the accruing liabilities on a continuing basis. The scheme is financed through a separate self-administered fund.

9. Computer development expenditure

All costs related to computer development expenditure have been treated as revenue items and written off when incurred.

10. Leasing

Leasing costs are accounted for as and when instalments become due. Leased assets other than those in respect of properties are not shown as assets on the balance sheet.

TARGET HOLDINGS LIMITED
AND SUBSIDIARY COMPANIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 December 1984

	Notes	£'000	£'000	Nine months ended 31 December 1983 £'000
Turnover	1		219,607	73,756
Cost of sales			<u>215,265</u>	<u>70,997</u>
Gross profit			4,342	2,759
Administrative expenses			<u>3,557</u>	<u>1,802</u>
Trading profit	2 - 4		785	957
Other operating income			<u>153</u>	<u>79</u>
			938	1,036
Income from fixed asset investments	5	2		2
Other interest receivable	6	<u>177</u>		<u>68</u>
			<u>179</u>	<u>70</u>
			1,117	1,106
Interest payable	7		<u>649</u>	<u>19</u>
Profit on ordinary activities before taxation			468	1,087
Tax on profit on ordinary activities	8		<u>195</u>	<u>491</u>
Profit on ordinary activities after taxation			273	596
Dividends paid and proposed	10		<u>80</u>	<u>754</u>
Retained profit/(loss) for the year	20		<u>193</u> =====	(158) =====

The accounting policies on pages 5 and 6 and the notes on pages 11 to 22 form part of the accounts.

TARGET HOLDINGS LIMITED
AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET

As at 31 December 1984

	Notes	£'000	£'000	1983 £'000
FIXED ASSETS				
Tangible assets	11		151	106
Investments	12		<u>28,053</u>	<u>22,053</u>
			28,204	22,159
CURRENT ASSETS				
Stocks	13	1,862		1,458
Debtors	14	15,627		8,222
Cash at bank and in hand		<u>648</u>		<u>1,321</u>
		18,137		11,001
CREDITORS: Amounts falling due within one year	15	<u>(17,850)</u>		<u>(16,759)</u>
NET CURRENT ASSETS/(LIABILITIES)			<u>287</u>	<u>(5,758)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			28,491	16,401
CREDITORS: Amounts falling due after more than one year	16		(5,900)	(3)
PROVISION FOR LIABILITIES AND CHARGES	17		<u>(28)</u>	<u>(28)</u>
NET ASSETS			<u>22,563</u> =====	<u>16,370</u> =====
CAPITAL AND RESERVES				
Called up share capital	18		14,002	14,001
Revaluation reserve	19		8,055	2,055
Profit and loss account	20		<u>506</u>	<u>314</u>
SHAREHOLDERS FUNDS			<u>22,563</u> =====	<u>16,370</u> =====



Chairman



Managing Director

These accounts were approved by the Board of Directors on 25 March 1985. The accounting policies on pages 5 and 6 and the notes on pages 11 to 22 form part of these accounts.

TARGET HOLDINGS LIMITED
AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the year ended 31 December 1984

	£'000	£'000	Nine months ended 31 December 1983 £'000
SOURCE OF FUNDS			
Profit on ordinary activities before taxation		468	1,087
Adjustment for items not involving the movement of funds:			
Depreciation and other amounts written off		<u>45</u>	<u>23</u>
Total generated from operations		513	1,110
Funds from other sources:			
Issue of loan notes	5,900		-
Proceeds of sale of fixed assets	<u>18</u>		<u>1</u>
		<u>5,918</u>	<u>1</u>
		6,431	1,111
USE OF FUNDS			
Dividend paid	596		158
Tax and group relief paid	801		156
Purchase of fixed tangible assets	108		86
Purchase of fixed asset investments	<u>-</u>		<u>5,970</u>
		<u>1,505</u>	<u>6,370</u>
		4,926	(5,259)
		=====	=====
INCREASE/(DECREASE) IN WORKING CAPITAL			
Increase in stocks		404	419
Increase in debtors		7,252	5,460
Increase in creditors		<u>(7,920)</u>	<u>(6,052)</u>
		(264)	(173)
Movement in net liquid funds:			
(Decrease)/increase in cash at bank and in hand	(673)		622
Decrease/(increase) in bank overdrafts	<u>5,863</u>		<u>(5,708)</u>
		<u>5,190</u>	<u>(5,086)</u>
		4,926	(5,259)
		=====	=====

TARGET HOLDINGS LIMITEDCOMPANY BALANCE SHEETAs at 31 December 1984

	Notes	£'000	£'000	1983 £'000
FIXED ASSETS				
Tangible assets	11		14	-
Investments	12		<u>31,000</u>	<u>25,000</u>
			31,014	25,000
CURRENT ASSETS				
Debtors	14	1,039		798
Cash at bank		<u>7</u>		<u>51</u>
		1,046		849
CREDITORS: Amounts falling due within one year	15	<u>(936)</u>		<u>(6,816)</u>
NET CURRENT ASSETS			<u>110</u>	<u>(5,967)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			31,124	19,033
CREDITORS: Amounts falling due after more than one year	16	<u>(5,900)</u>		<u>-</u>
NET ASSETS			<u>25,224</u> =====	<u>19,033</u> =====
CAPITAL AND RESERVES				
Called up share capital	18		14,002	14,001
Revaluation reserves	19		11,030	5,030
Profit and loss account	20		<u>192</u>	<u>2</u>
SHAREHOLDERS FUNDS			<u>25,224</u> =====	<u>19,033</u> =====



Chairman



Managing Director

These accounts were approved by the Board of Directors on 25 March 1985. The accounting policies on pages 5 and 6 and the notes on pages 11 to 22 form part of these accounts.

TARGET HOLDINGS LIMITED
AND SUBSIDIARY COMPANIES

NOTES TO THE ACCOUNTS

1 ANALYSIS OF TURNOVER AND PROFIT BEFORE TAXATION

	Turnover		Attributable pre-tax profit	
	Nine months ended		Nine months ended	
	31 December		31 December	
	1983		1983	
	£'000	£'000	£'000	£'000
Unit trust management	219,248	73,467	569	1,081
Unit trust administration	<u>359</u>	<u>289</u>	<u>(101)</u>	<u>6</u>
	219,607	73,756	468	1,087
	=====	=====	=====	=====

All turnover arises within the UK market.

Turnover includes sales of units to Target Life Assurance Company Limited of £127,085,000 (1983 - £30,544,000).

2 TRADING PROFIT

	Nine months ended	
	31 December 1983	
	£'000	£'000
Trading profit is stated after charging:		
Depreciation of tangible fixed assets	42	23
Loss on disposal of tangible fixed assets	4	-
Auditors' remuneration	<u>42</u>	<u>34</u>
	====	====

3 EMPLOYEES

	Nine months ended	
	31 December 1983	
Average number of employees by activity:		
Marketing	11	11
Administration	<u>67</u>	<u>62</u>
	78	73
	====	====

TARGET HOLDINGS LIMITED
AND SUBSIDIARY COMPANIES

NOTES (continued)

3 EMPLOYEES (continued)

		Nine months ended 31 December 1983
	£'000	£'000
Wages and salaries	620	493
Social security costs	<u>57</u>	<u>41</u>
	677	534
	=====	=====

Details of employees in Target Life Assurance Company Limited are set out in the accounts of that company.

4 DIRECTORS' EMOLUMENTS

		Nine months ended 31 December 1983
	£'000	£'000
Fees	1	2
Management remuneration	247	97
Pension contributions	<u>13</u>	<u>33</u>
	261	132
	=====	=====

The directors' emoluments charged in the consolidated profit and loss account amounted to £18,000 (1983 - £32,000).

Emoluments, excluding pension contributions:

		Nine months ended 31 December 1983
	£'000	£'000
Of the chairman	-	-
Of the highest paid director	122	79
	=====	=====

TARGET HOLDINGS LIMITED
AND SUBSIDIARY COMPANIES

NOTES (continued)

4 DIRECTORS' EMOLUMENTS (continued)

The emoluments, excluding pension contributions, of other directors fell within the following ranges:

	Nine months ended 31 December 1983	
£ nil - £ 5,000	5	6
£40,001 - £45,000	1	-
£80,001 - £85,000	1	-
	=====	=====

5 INCOME FROM FIXED ASSET INVESTMENTS

	Nine months ended 31 December 1983	
	£'000	£'000
Income from unit trusts	2	2
	=====	=====

6 OTHER INTEREST RECEIVABLE

	Nine months ended 31 December 1983	
	£'000	£'000
Interest receivable from loans and deposits	177	68
	=====	=====

7 INTEREST PAYABLE

	Nine months ended 31 December 1983	
	£'000	£'000
Bank overdrafts and loans wholly repayable within five years	649	19
	=====	=====

TARGET HOLDINGS LIMITED
AND SUBSIDIARY COMPANIES

NOTES (continued)

8 TAX ON PROFIT ON ORDINARY ACTIVITIES

		Nine months ended 31 December 1983
	£'000	£'000
<u>Group</u>		
Corporation tax payable at an average rate of 46.25% (52%)	-	399
Group relief receivable at an average rate of 46.25%	52	-
Tax credits on franked investment income	149	94
Prior year corporation tax	(6)	(1)
Group relief	-	(1)
	<u>195</u>	<u>491</u>
	=====	=====

9 PROFIT AFTER TAXATION DEALT WITHIN THE HOLDING COMPANY

Included in the profit for the year of £273,000 (nine month period ended 31 December 1983 - £596,000) are profits of £271,000 (nine month period ended 31 December 1983 - £761,000) which are dealt within the holding company.

10 DIVIDENDS PAID/PROPOSED

		Nine months ended 31 December 1983
	£'000	£'000
Interim dividend paid on 'A' shares	-	158
Proposed final dividend on 'A' shares	<u>80</u>	<u>596</u>
	<u>80</u>	<u>754</u>
	=====	=====

TARGET HOLDINGS LIMITED
AND SUBSIDIARY COMPANIES

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NOTES (continued)

11 TANGIBLE FIXED ASSETS

<u>Group</u>	Plant and equipment £'000	Motor vehicles £'000	Total £'000
<u>Cost</u>			
At 1 January 1984	29	127	156
Additions	6	102	108
Disposals	-	(44)	(44)
At 31 December 1984	<u>35</u>	<u>185</u>	<u>220</u>
<u>Depreciation</u>			
At 1 January 1984	14	36	50
Charge for the year	5	37	42
Disposals	-	(23)	(23)
At 31 December 1984	<u>19</u>	<u>50</u>	<u>69</u>
<u>Net book value</u>			
At 31 December 1984	<u>16</u> =====	<u>135</u> =====	<u>151</u> =====
At 31 December 1983	<u>15</u> =====	<u>91</u> =====	<u>106</u> =====
<u>Company</u>			
<u>Cost</u>			
At 1 January 1984	-	-	-
Additions	-	14	14
At 31 December 1984	-	<u>14</u>	<u>14</u>
<u>Depreciation</u>			
Charge for the year	-	-	-
At 31 December 1984	-	-	-
<u>Net book value</u>			
At 31 December 1984	- =====	<u>14</u> =====	<u>14</u> =====
At 31 December 1983	- =====	- =====	- =====

NOTES (continued)

12 FIXED ASSET INVESTMENTS

<u>Group</u>	Investment in insurance subsidiary £'000	Units in authorised unit trusts £'000	Shares in unlisted company £'000	Total £'000
At 1 January 1984	22,000	28	25	22,053
Revaluation	<u>6,000</u>	<u>-</u>	<u>-</u>	<u>6,000</u>
At 31 December 1984	28,000 =====	28 =====	25 =====	28,053 =====

The investment in the insurance subsidiary, Target Life Assurance Company Limited, was valued by the directors at £28 million at 31 December 1984 in accordance with the procedure described in accounting policy number 2 on page 5.

No provision has been made for any taxation which might arise if the group were to dispose of the investment at this value as it is not the intention of the directors to make such a disposal in the foreseeable future; the maximum amount of such taxation is estimated to be £3.1 million.

The investments in unit trusts managed by group companies have been deposited with the trustees of certain unit trusts to secure provision for future management expenses. The market values of the investments in unit trusts at 31 December 1984 amounted to £67,000 (December 1983 - £55,000).

Target Trust Managers Limited, a subsidiary, owns a 50% interest in the issued share capital of 3i and Target Fund Managers Limited, an unlisted company. This company is incorporated in Great Britain and acts as a management company, managing a unit trust. The investment has not been treated as a related company in accordance with the Companies Act 1981 because Target Trust Managers Limited is unable to exert significant influence over the operations of 3i and Target Fund Managers Limited. The directors consider that the investment is worth not less than the value shown above.

Company

The company's investments in other subsidiary companies are shown at their original costs and the directors consider that they are worth not less than these amounts.

	Insurance Subsidiary £'000	Other Subsidiary £'000	Total £'000
At 1 January 1984	22,000	3,000	25,000
Revaluation	<u>6,000</u>	<u>-</u>	<u>6,000</u>
At 31 December 1984	28,000 =====	3,000 =====	31,000 =====

NOTES (continued)

13 STOCKS

	£'000	1983 £'000
<u>Group</u>		
Units in authorised unit trusts	1,862 =====	1,458 =====

14 DEBTORS

	Due within one year £'000	Due after one year £'000	Total £'000	Due within one year £'000	1983 Due after one year £'000	Total £'000
<u>Group</u>						
Amounts owed by insurance subsidiary	12,022	-	12,022	3,357	-	3,357
Trade debtors	2,662	-	2,662	4,574	-	4,574
Other debtors	57	66	123	41	71	112
Prepayments and accrued income	78	-	78	179	-	179
Due from fellow subsidiary	562	-	562	-	-	-
Due from holding company	27	-	27	-	-	-
Taxation receivable	153	-	153	-	-	-
	15,561 =====	66 =====	15,627 =====	8,151 =====	71 =====	8,222 =====

Company

Group dividends receivable	570	-	570	760	-	760
Due from subsidiary	130	-	130	24	-	24
Group relief receivable	273	-	273	12	-	12
Corporation tax receivable	54	-	54	-	-	-
Other debtors	12	-	12	2	-	2
	1,039 =====	- =====	1,039 =====	798 =====	- =====	798 =====

NOTES (continued)

15 CREDITORS: Amounts falling due within one year

	£'000	1983 £'000
<u>Group</u>		
Amounts owed to insurance subsidiary	6,333	3,421
Bank overdrafts	66	5,929
Trade creditors	7,560	5,669
Amounts owed to holding company and fellow subsidiaries	3,010	109
Tax and social security	90	512
Group relief payable	240	184
Accruals and deferred income	245	159
Other creditors	226	180
Proposed dividend	80	596
	<u>17,850</u>	<u>16,759</u>
	=====	=====
<u>Company</u>		
Bank overdraft	-	5,903
Amounts owed to group companies:		
Holding company and fellow subsidiaries	-	42
Own subsidiaries	832	241
Accruals and deferred income	19	2
Other creditors	5	32
Proposed dividend	80	596
	<u>936</u>	<u>6,816</u>
	=====	=====

16 CREDITORS: Amounts falling due after more than one year

	1983	
	Group	Company
Unsecured bank loans repayable between two and five years	5,900	5,900
Taxation	-	-
	<u>5,900</u>	<u>5,900</u>
	=====	=====

17 PROVISIONS FOR LIABILITIES AND CHARGES

	£'000	1983 £'000
<u>Group</u>		
Provisions for future management expenses (note 12)	28	28
	<u>28</u>	<u>28</u>
	=====	=====

NOTES (continued)

18 CALLED UP SHARE CAPITAL

	Authorised, allotted, issued and fully paid			
	31 December 1984		31 December 1983	
	No	£'000	No	£'000
'A' ordinary shares of 1p each	140,000	1	-	-
'A' ordinary shares of £1 each converted to deferred shares on 7 June 1984	14,000,000	14,000	14,000,000	14,000
'B' ordinary shares of £1 each	1,000	1	1,000	1
'C' ordinary shares of £1 each	1	-	1	-
	14,141,001	14,002	14,001,001	14,001
	=====	=====	=====	=====

On 7 June 1984 the share capital of the company was altered by the following measures:

The authorised share capital was increased by creating 140,000 new 'A' shares of 1p each.

These new shares were allotted on the basis of 1 new 'A' share of 1p for every 100 old 'A' shares of £1.

The old 'A' shares of £1 were converted into deferred shares of £1 each.

19 NON DISTRIBUTABLE RESERVE

	Group £'000	Company £'000
Revaluation reserve		
Balance at 31 December 1983	2,055	5,030
Revaluation during the year (note 12)	<u>6,000</u>	<u>6,000</u>
Balance at 31 December 1984	<u>8,055</u>	<u>11,030</u>
	=====	=====

20 PROFIT AND LOSS ACCOUNT

	Group £'000	Company £'000
At 1 January 1984	314	2
Capitalised during year	(1)	(1)
Retained profit for the year	<u>193</u>	<u>191</u>
At 31 December 1984	<u>506</u>	<u>192</u>
	=====	=====

The profits of the company available for distribution are £192,000 (31 December 1982 -£2,000).

NOTES (continued)

21 ULTIMATE HOLDING COMPANY

On 19 June 1984 the company's ultimate holding company became Target Group PLC and remained so at the year end. This company is incorporated in Great Britain and registered in England.

22 CAPITAL COMMITMENTS

	£'000	1983- £'000
Capital expenditure that has been contracted for but has not been provided for in the accounts	58 =====	- =====
Capital expenditure that has been authorised but not contracted for	- =====	- =====

NOTES (continued)

23 PRINCIPAL SUBSIDIARY COMPANIES

<u>Company</u>	<u>Registered office</u>	<u>Activity</u>
Target Life Assurance Company Limited	Target House Gatehouse Road Aylesbury Bucks HP19 3EB	Long term life assurance and pensions
Target Annuities Limited*	As above	Reassurance of annuity policies
Target Trust Managers Limited	As above	Unit trust management
Target Trust Managers (Scotland) Limited*	As above	Unit trust management
Target Financial Consultants Limited (formerly the Industrial Plant Company Limited)*	As above	Provision of financial services
Target Investment Management Limited (formerly Target Financial Consultants Limited)*	As above	Investment management and advice
Unit Trust Services Limited*	72-80 Gatehouse Road Aylesbury Bucks HP19 3EB	Unit trust administrative services
Unit Trust Services (Jersey) Limited (formerly Target Trust Managers (Jersey) Limited)*	Ordnance House 31 Pier Road St Helier Jersey CI	Currency Fund management

* Owned indirectly

All the above companies are incorporated in Great Britain except Unit Trust Services (Jersey) Limited which is incorporated in Jersey.

All the above companies are wholly owned subsidiaries of Target Holdings Limited except Target Life Assurance Company Limited.

Target Holdings Limited owns all the share capital of Target Life Assurance Company Limited except for 30% of the 10% non-cumulative participating and preference shares.

NOTES (continued)

24 DIRECTORS AND THEIR INTERESTS

		Date of appointment	Date of resignation
Sir Peter Parker	MVO (Chairman)	18.12.1984	
Jacob Rothschild			19.06.1984
David Montagu			18.12.1984
Francois Mayer			19.06.1984
Paul Finkel			19.06.1984
Peter Oppenheimer			19.06.1984
Paul Taylor		18.06.1984	
Brian Weston		18.06.1984	
John Stone was a director throughout 1984			

The interests (including the interests of their families) at 31 December 1984 are shown below:

	Ordinary 25p shares in Target Group PLC	Options on ordinary 25p shares in Target Group PLC	Ordinary £1 shares in Target Directors Limited
John Stone	808,754	191,000	480
Paul Taylor	608,754	175,000	440
Brian Weston	138,750	60,000	150
Sir Peter Parker	-	-	-
	=====	=====	=====

The interests at 31 December 1983 or appointment, if later, are shown below:

	Ordinary 25p shares in Target Group PLC	Options on ordinary 25p shares in Target Group PLC	Ordinary £1 shares in Target Directors Limited
John Stone	-	-	-
Paul Taylor	25,004	-	440
Brian Weston	25,000	-	150
Sir Peter Parker	-	-	-
	=====	=====	=====

AUDITORS' REPORT TO THE MEMBERS OF TARGET HOLDINGS LIMITED

We have audited the financial statements of Target Holdings Limited on pages 5 to 22 in accordance with approved auditing standards. These, together with the attached audited financial statements of Target Life Assurance Company Limited for the year ended 31 December 1984 form the group accounts of Target Holdings Limited.

In our opinion the financial statements of Target Holdings Limited and the group accounts presented in this form, which have been prepared under the historical cost convention, as modified by the revaluation of the investment in Target Life Assurance Company Limited, give a true and fair view of the state of affairs of the company and the group at 31 December 1984 and of the profit and source and application of funds of the group for the year ended 31 December 1984 and comply with the Companies Acts 1948 to 1981.

The financial statements do not include current cost statements as required by Statement of Standard Accounting Practice No 16 for the reasons given in the directors' report.

Thom McIntosh & Co

Chartered Accountants

LONDON

25 March 1985