Bank of England
Report and accounts
1991

Bank of England

Report and accounts for the year ended 28 February 1991

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Court of Directors

1 March 1991

	Date of first appointment	Expiry date of current appointment
The Rt Hon Robert Leigh-Pemberton, *Governor*	1 July 1983	30 June 1993
Edward Alan John George, *Deputy Governor* *(First appointed to the Court 1 March 1982)*	1 March 1990	28 February 1995
Dr David Valentine Atterton CBE *(Non-executive Director, Marks and Spencer plc)*	1 March 1984	29 February 1992
Sir George Adrian Hayhurst Cadbury *(Chairman, PRONED)*	1 March 1970	28 February 1994
Anthony Laurie Coleby *(Executive Director)*	1 March 1990	28 February 1994
Sir Frederick Brian Corby *(Chairman, Prudential Corporation plc)*	1 March 1985	28 February 1993
Sir Colin Ross Corness *(Chairman, Redland PLC)*	1 March 1987	28 February 1995
Andrew Duncan Crockett *(Executive Director)*	1 March 1989	28 February 1993
The Rt Hon the Lord Haslam of Bolton *(Chairman, Bechtel Ltd)*	1 March 1985	28 February 1993
Sir Martin Wakefield Jacomb *(Chairman, Barclays de Zoete Wedd (Holdings) Ltd)*	19 May 1986	28 February 1995
Mervyn Allister King *(Executive Director)*	1 March 1990	29 February 1992
Gavin Harry Laird CBE *(General Secretary, Amalgamated Engineering Union)*	1 March 1986	28 February 1994
David Bryan Lees *(Chairman and Chief Executive, GKN plc)*	1 March 1991	28 February 1995
Brian Quinn *(Executive Director)*	1 April 1988	29 February 1992
Sir David Gerald Scholey CBE *(Chairman, S G Warburg Group plc)*	1 March 1981	28 February 1994
Professor Roland Smith *(Chairman, British Aerospace plc)*	1 March 1991	29 February 1992
Colin Grieve Southgate *(Chairman and Chief Executive, Thorn EMI plc)*	1 March 1991	28 February 1995
Sir David Alan Walker *(Chairman, Securities and Investments Board)*	1 March 1982	28 February 1993

Lord Laing and Sir John Baring retired on 28 February 1991 on completing their terms of office: Mr Lees and Mr Southgate were appointed in their place. Mr Flemming resigned on 28 February before completing his term of office: Professor Smith was appointed in his place for a period of one year.

The terms of office of Sir Martin Jacomb and Sir Colin Corness expired on 28 February: they were re-appointed for a further period of four years.

Associate Directors

Hugh Christopher Emlyn Harris (appointed 1 April 1988)
Pendarell Hugh Kent (appointed 1 May 1988)
Ian Plenderleith (appointed 1 March 1990)

G A Croughton: Secretary of the Bank

Organisation of the Bank:

March 1991

The Governor — **The Deputy Governor**

- **P H Kent** (Associate Director)
  - A W Jarvis (General Manager) — *Printing Works*
  - T A Clark (Head of Division) — *Financial Markets and Institutions Division*
  - M T R Smith (Head of Division) — *Industrial Finance Division*
- **J P Charkham** (Adviser to the Governor)
- **Brian Quinn** (Executive Director)
  - R A Barnes (Assistant Director and Head of Banking Supervision) — *Banking Supervision Division*
    - J W Anderson (Deputy Head of Division)
    - J Bartlett (Deputy Head of Division)
    - R H Farrant (Deputy Head of Division)
    - T P Sweeney (Deputy Head of Division)
  - G M Gill (Chief of Banking Department and Chief Cashier)
    - G E A Kentfield (Head of Division) — *Banking Division*
    - P G Mitchell (Head of Division) — *Banknotes and Security Division*
    - P W Allsopp (Head of Division) — *Payment Systems Division*
- **A L Coleby** (Executive Director)
  - J S Beverly (Head of Division) — *Wholesale Markets Supervision Division*
  - J C Townend (Head of Division) — *Gilt-Edged and Money Markets Division*
  - W A Allen (Head of Division) — *Foreign Exchange Division*
- **Ian Plenderleith** (Associate Director)
  - J C Townend (Head of Division) — *Gilt-Edged and Money Markets Division*
  - W A Allen (Head of Division) — *Foreign Exchange Division*
- D A Bridger (Chief Registrar and Chief Accountant) — *Registrar's Department*
- **M A King** (Executive Director)
  - J R E Footman (Head of Division) — *Information Division*
  - L D D Price (Head of Division) — *Economics Division*
  - P A Bull (Head of Division) — *Financial Statistics Division*
- **Sir Peter Petrie** (Adviser to the Governor)
- **A D Crockett** (Executive Director)
  - Oliver Page (Head of Division) — *Developing World Division*
  - M D K W Foot (Head of Division) — *European Division*
  - C T Taylor (Chief Adviser) — *European Division*
  - A R Latter (Head of Division) — *International Finance, Economy and Debt Division*
  - D W Green (Head of Division) — *North America and Japan Division*
  - M J W Phillips (Auditor) — *Audit Division*
- **H C E Harris** (Associate Director)
  - G A Croughton (Secretary of the Bank) — *Secretary's Division*
  - G F J Everett (Head of Division) — *Premises Division*
  - L G Lloyd (Head of Division) — *Management Services Division*
  - J S Rumins (Head of Division) — *Finance and Resource Planning Division*
  - D A Sharp (Head of Division) — *Personnel Division*
  - David Shilson (Adviser) — *Officials' Career Development*
  - Mrs Anne Skinner (Head of Division) — *Administration Division*
  - M E Hewitt (Director of Studies) — *Centre for Central Banking Studies*

Foreword

The outstanding event of 1990 in the field of monetary policy in the United Kingdom was sterling's entry into the Exchange Rate Mechanism on 8 October. This marks an important change in the context for monetary policy decisions, and has in my view greatly increased the credibility of our counterinflationary stance. But it is important to be clear about what has not changed. The underlying objective of policy, the maintenance of the value of the currency, is unaltered. And the policy instruments that we bring to bear—principally changes in short-term interest rates, based on our assessment of demand and inflationary pressures in the economy—remain the same as before. What *has* changed is that an important and visible extra discipline has been introduced, and that will greatly assist the pursuit of this central objective.

The past year has certainly seen some progress in this respect. The rate of retail price inflation peaked at 10.9% in September but has subsequently declined significantly, and further improvement is in prospect. We have been able to reduce interest rates from 15%, where they stood for most of last year, to 12%, recognising both the progress made against inflation and the progressive easing of pressures within the economy, which moved into recession in the latter half of 1990. Some loss of output and employment is the inevitable price to pay for reducing inflation, and I certainly do not underestimate the personal costs involved for many. But a failure to curb inflation would be still more damaging, and in this respect we must be careful not to declare a premature victory; there are still pressures on industry's costs, notably through the labour market, and as interest rates fall we will have to guard against the risk of a further round of asset price inflation, notably in the housing market.

The weakening of the economy, against a background of high company and personal borrowing, has particular implications for both industry and the banking system. Inevitably there has been some financial distress, and a number of companies have faced financial problems culminating in receivership or administration. During the year we discussed with banks in London the general principles that govern their approach to corporate customers facing liquidity problems, particularly where—as is often the case—large numbers of lenders are involved. The aim is not to interfere with the banks' own commercial judgements, but rather to ensure that a mechanism exists within which the banks can consider what the most appropriate course of action may be. The Bank is concerned that decisions should be reached in a measured and constructive way and not dictated simply by the conflicting priorities of the various lenders to a company. The Bank believes that this approach can often be more conducive to the preservation of value for creditors than hasty resort to receivership or liquidation. Our discussions about this 'London approach' have been generally welcomed by the banks and had been reflected in a positive approach in many cases where companies have faced short-term liquidity problems.

Pressures on the banking system more widely are described in the separate Annual Report under the Banking Act, published alongside this report. I would only say here that the banking system in this country has been stood in good stead by the prudent approach to capital and liquidity ratios embodied in our supervision for many years. This has meant that our banks have had little difficulty in meeting the new international standards laid down by the Basle Committee, and have been well prepared for the losses that inevitably flow in a downturn such as we are now experiencing.

Entry into the Exchange Rate Mechanism has altered the context for our market operations but has not led to any change in our techniques of market management. But two recent events are worth noting. First, after a gap of 27 months, the Bank has re-entered the market on behalf of HM Government as an issuer of new gilt-edged stock. In contrast to the net buying-in of stock of recent years, new issues are now likely to be a feature of the gilt-edged market and we have already indicated that we will be holding a series of auctions to supplement more traditional issuing techniques.

A more radical departure was the successful launch in February of a UK Government bond denominated in Ecus. This 'Ecu Gilt' followed our successful experience with the Ecu Treasury bill programme, launched in 1988. The bond issue proved a considerable success and, despite its being tightly priced, strong investor demand made it possible to increase the amount of the issue from Ecu 2.2 billion to Ecu 2.75 billion. The issue will further increase opportunities for Ecu trading in London, which is now firmly established as the centre of the Ecu money and capital markets.

The Ecu is of course a basket of currencies, defined for purposes of the European Monetary System of which it is in theory the central currency. Much attention has been focused over the past year on the issue of monetary union in Europe, which could eventually involve a *single* currency for all of the European Community. An Inter-Governmental Conference to consider possible treaty changes started in December 1990. Together with my colleagues in the European Central Bank Governors Committee, I participated in the preparation of Draft Statutes for a European Central Bank which would manage any new single currency. This was submitted to the Inter-Governmental Conference, but elements are still being refined by the Committee. The Bank was also very closely involved in the preparation of HM Government's proposals for a market-based approach that could lead to monetary union, based on the 'hard Ecu'. Those ideas were launched in June, and culminated in a formal treaty proposal to the IGC that included draft statutes of a European Monetary Fund to manage the hard Ecu as a common (rather than single) currency for the European Community. The United Kingdom's contribution to the debate has, I believe, been much welcomed by our European partners and has been helpful in focusing consideration on the more practical questions that need to be addressed, particularly on the nature of the next steps to be taken, at a time when the economies of the member states still show marked divergences of structure and performance.

I referred last year to the plans for a Central Moneymarkets Office within the Bank to provide custody and settlement facilities in money-market instruments. The project was completed on time and is operating successfully, increasing the efficiency and security of settlement arrangements in the London money markets. This reflects much credit on all those involved, in the Bank and in the markets. I have stressed on many occasions the need for our infrastructure, including payment and settlement systems, to keep pace with London's development as a financial centre, and I have been encouraged by the progress made during the year by the Stock Exchange in developing their new TAURUS settlement system for equities. In the area of wholesale payments, we have continued to discuss with the banks ideas for reducing the risks and increasing the efficiency of our systems, following on from ideas that I first put forward in a speech in 1989. Satisfactory progress is being made in designing arrangements which will address both these objectives.

Devising appropriate central banking arrangements is not an issue only for the members of the European Community. Many of the former Comecon countries are in the process of adapting their central banks to manage their currencies and to exercise influence and control over the developing private banking systems in their countries. Like other western central banks, the Bank of England is being asked to provide technical assistance and training, and it is in part with this in mind that we have established our Centre for Central Banking Studies and provided it with resources which will enable it to offer training programmes to central bankers from all over the world.

With the end of the Bank's year we have seen some changes on the Court. Lord Laing has retired from the Court after serving for 18 years. His contribution over a wide range of our activities has been immense, and his energy, enthusiasm and insight will be greatly missed. I am very pleased that he is remaining as Chairman of the Debden Committee, advising on the direction of the Printing Works, a position that he has held for some 15 years. Sir John Baring has left the Court after 8 years in which his deep knowledge of the City has been of great value to the Bank. And John Flemming, the Bank's Chief Economist since 1984 and a Director since 1988, has left to join the new European Bank for Reconstruction and Development which was established in London during the course of the year. He has made a very considerable contribution both in the development of policy and in increasing the Bank's standing in the economics profession. He is succeeded as Chief Economist by Mervyn King, previously a non-executive director of the Bank. The non-executive vacancies on the Court are filled by Professor Roland Smith, David Lees and Colin Southgate; Sir Martin Jacomb and Sir Colin Corness have both accepted re-appointment to further terms. I am conscious that we place greater burdens on our non-executive directors than do most public companies, and we are indeed fortunate in having so many distinguished people who give so unstintingly of their time.

Once again I must record my gratitude to the staff of the Bank. At all levels they have shown themselves committed, determined and technically proficient. The exceptional performance of our Iraq/Kuwait Emergency Unit is just one example of how the staff have adapted quickly to new developments and situations while maintaining the high standards of public service with which the Bank has always rightly been associated.

Robin Leigh-Pemberton

Governor of the Bank of England

Report of the Court of Directors

The Court of Directors are pleased to present their report together with the audited accounts for the Banking and Issue Departments for the year ended 28 February 1991.

Results for the year

The Banking Department accounts for the year ended 28 February 1991 are given on pages 19–31 and show an operating profit of £161.8 million, compared with £122.9 million in 1989/90. The Bank has changed its accounting policy on British government securities this year in accordance with best accounting practice. This change has meant that the reserves at 1 March 1990 have been increased by £19 million.

After a payment in lieu of dividend to Her Majesty's Treasury of £81.5 million (compared with £72.8 million in the previous year) and a tax charge of £18.1 million (1990 £17.0 million), the profit transferred to reserves amounts to £62.2 million which compares with £74.9 million last year. The high level of earnings, combined with tight control over costs, has enabled the Bank to reduce the level of cash ratio deposits. These interest-free deposits from the banking sector, which provide the Bank with resources so that it may carry on its functions, were reduced from 0.45% of eligible liabilities to 0.4% with effect from 16 January 1991.

The accounts for the Issue Department (which are shown on page 32) show that the profits of the Note Issue were £2,545.8 million compared with £1,905.2 million in 1989/90. These profits are all payable to the Treasury. In accordance with the Currency and Bank Notes Act 1928, the assets of the Issue Department comprise securities of an amount in value sufficient to cover the fiduciary note issue.

Activities

The Bank is the central bank of the United Kingdom. Its core purposes are to maintain the value of the currency and the integrity of the financial system, and to promote the efficiency of financial markets. The Bank's monetary policy operations are described fully in successive issues of the *Quarterly Bulletin*; and a full account of banking supervision is given in the Annual Report under the Banking Act, published alongside this Report. This report covers those activities of the Bank that are not otherwise reported on a regular basis.

The note issue

The value of the note issue was £15,375 million at the end of February 1991, £354 million (2.4%) larger than a year earlier.

Towards the end of 1990 it appeared likely that the annual peak in note circulation, which occurs just before Christmas, would exceed the existing statutory ceiling of £18,750 million on the fiduciary issue. Accordingly, at the Bank's request, HM Treasury directed under the Currency Act 1983 that the limit be increased to £20,600 million with effect from 29 November 1990. In the event, the seasonal peak was £18,412 million.

Value of notes in circulation

£ millions

End-February	1988	1989	1990	1991
£1(a)	108	102	62	61
£5	1,896	1,646	1,539	1,373
£10(a)	5,810	5,806	5,866	5,810
£20	2,932	3,654	4,380	4,847
£50	1,755	2,054	2,292	2,375
Other notes(b)	800	850	882	909
Total	**13,301**	**14,112**	**15,021**	**15,375**

(a) Figures for the years 1988 and 1989 include £38 million of £1 and £13 million of £10 Series C notes still unpresented. These were written out of the circulation figures on 1 June 1989, in accordance with the terms of the Currency Act 1983. Those notes can, however, be cashed by the public upon presentation to the Bank without limit as to time.

(b) Includes higher value notes used internally in the Bank, eg as cover for the note issues of banks of issue in Scotland and Northern Ireland in excess of their permitted issues.

The £10 note remains the most commonly issued denomination. Of the other denominations, usage of £20 notes (particularly by banks and building societies for issue through cash dispensers and automated teller machines) continues to grow rapidly, while demand for £5 notes continues to decline; indeed, £5 notes now account for only about 9% of the total value of notes in circulation.

Number of new notes issued each year, by denomination

Millions

Year to end-February	1988	1989	1990	1991
£5	449	475	424	507
£10	515	621	627	619
£20	113	165	194	252
£50	21	23	22	24
Total	**1,098**	**1,284**	**1,267**	**1,402**

On 7 June 1990 a new series of Bank notes—'Series E'—was launched with a new £5 note. The new £20 note is scheduled for launch on 5 June 1991, and the £10E and £50E will follow in due course.

The changeover from £5D led to an increase in new £5 notes issued in the last year, notwithstanding the overall decline in circulation of this denomination.

Management of the stock registers

1,000,095 transfers of stock were registered in 1990/91, a fall of 4% on 1989/90. 473,049 transfers were effected through the Central Gilts Office, representing 47% of the total.

Transfers registered

Thousands

Year to end-February	1988	1989	1990	1991
Stock transfer forms	793	693	557	527
Electronic transfers through CGO	728	631	487	473
Total	**1,521**	**1,324**	**1,044**	**1,000**

The nominal value of British government securities managed by the Bank fell by 4% to £115,076 million, but the total of other securities under management rose by 7% to £3,959 million. The number of accounts fell by 7% to 1,530,000 of which 1,499,000 related to British government securities. The fall in the total of British government securities under management largely reflected the run-off of maturing stock during the year. In January a tranche of £700 million of 10% Conversion Stock 1996 was offered by tender, the first new issue since October 1988. In February further tranches of four existing conventional stocks were issued, totalling £1.1 billion nominal.

Securities in issue under management at the Bank of England

£ millions nominal

End-February	1989	1990	1991
British government securities:			
Stocks	135,588	120,268	115,034
of which, index-linked	*13,016*	*12,548*	*12,548*
Bearer bonds	60	51	42
	135,648	120,319	115,076
Other securities:			
Government-guaranteed	10	240	476 (a)
Commonwealth & Overseas	2,625	3,144	3,188
Local authorities	112	106	81
Agricultural Mortgage Corporation PLC	282	179	169
Other	45	45	45
	3,074	3,714	3,959
Total	**138,722**	**124,033**	**119,035**

(a) Includes £250 million stock issued by the Guaranteed Export and Finance Corporation plc (GEFCO) on 16 May 1990.

In order to improve liquidity in the market, six conversion offers were made to holders of certain British government securities; on average 95% of the stock concerned was converted into a larger issue of a similar maturity.

Registrar's Department relocation

The relocation of the Registrar's Department has continued on schedule, and the majority of the department's work is now undertaken in Gloucester. The Bank took possession of the department's new premises, Southgate House, at the end of February. The department will be fully relocated by the end of the summer 1991.

Central Moneymarkets Office

The Central Moneymarkets Office (CMO), which provides computerised book-entry transfer facilities for sterling money-market instruments, was successfully launched on 1 October 1990. To minimise teething problems, the service was phased in gradually over the ensuing four months. By the end of February 1991, there were some 60,000 instruments worth about £59 billion held in the CMO, much in line with expectations.

United Kingdom freeze on Iraqi and Kuwaiti assets

With the advent of the Gulf crisis, the Bank implemented a freeze on Iraqi and Kuwaiti assets in the United Kingdom on behalf of HM Treasury, under the Emergency Laws (Re-enactments and Repeals) Act 1964. The freeze on Kuwait was unique in that it was designed to protect the assets of Kuwaiti residents for their legitimate owners and was imposed at the request of the Government of Kuwait itself. The Bank worked throughout in close co-operation with UK government departments and with the authorities in other countries. The Bank also collaborated with the Central Bank of Kuwait and other Kuwaiti government agencies to establish a regime permitting Kuwaitis resident in the United Kingdom to operate as near normally as possible. All restrictions on Kuwaiti assets were removed in March 1991. Restrictions on Iraqi assets remain in force, reflecting the continuation of UN sanctions.

It was necessary, at very short notice, to assemble a team of people to undertake this task; those most suited were former exchange control experts, of whom relatively few remain in the Bank. It was however possible for the Iraq/Kuwait Emergency Unit to borrow many of them for limited periods; one returned from retirement. In all 23 such staff were deployed at various times, and 14 ancillary staff.

Money laundering

The Bank has played an active role during the past year in efforts to combat money laundering, including participation as part of the UK delegation in the International Financial Action Task Force and in the Working Group on the EC Money Laundering Directive.

In the United Kingdom, the Bank established and provided a chairman for a Working Group, comprising representatives of the British Bankers' Association, the National Drugs Intelligence Unit, the Police and HM Customs and Excise. The purpose of the Group was to review the procedures adopted by banks and building societies to combat money laundering in the light of the recommendations of the International Financial Action Task Force and of the Home Affairs Committee of the House of Commons. This review led to the publication in December 1990 of a set of detailed Guidance Notes aimed at assisting banks and building societies to increase the effectiveness of the measures they take to guard against being used by money launderers. Similar guidance notes, tailored to the circumstances of the life assurance and securities industries, are currently in preparation.

Support operations

Minories Finance Limited (MFL), formerly Johnson Matthey Bankers Limited, has continued to realise its remaining assets and has declared dividends of £12 million, equivalent to its surplus for the year to 31 December 1990. These dividends bring to £64.5 million the total received by the Bank, of which, as reported in previous years, £20.7 million was paid to the other banks and members of the London Bullion Market Association who contributed under the indemnity given to MFL. The amount of £43.8 million retained by the Bank covers its own indemnity contribution of £20.8 million; the balance is set against the Bank's costs. Since its year-end of 31 December 1990 the company has continued to increase its net assets and reserves through further debt recoveries and by earnings on monetary assets.

Technical assistance and central bank training

The Bank receives many requests from overseas central banks for technical assistance and training. In addition to catering for visitors to the United Kingdom, the Bank has made a number of its staff available for short-term assignments abroad during the past year, notably to Eastern European countries to advise on the establishment of central banking operations.

In the light of the rapid growth of demand for training and technical assistance, a Centre for Central Banking Studies has now been established within the Bank in order to co-ordinate and develop the Bank's work in this area. The Centre has a small specialised staff under the direction of a

Senior Official; by the end of February it had already received 46 course members from 17 countries.

Directors

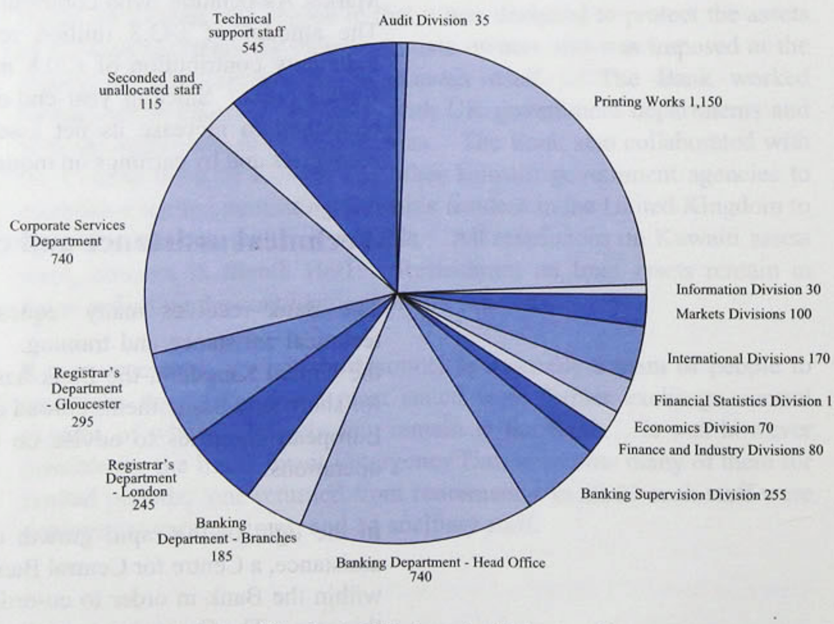
The names of the members of Court are given on page 3 together with the dates of their first appointment and expiry of their current terms. The principal outside appointments of the non-executive directors are also given. The areas of responsibility of the executive directors and associate directors at 1 March are set out on page 4.

The current members of the Audit Committee are Sir David Scholey (Chairman), Sir Brian Corby, Sir Martin Jacomb, Sir Colin Corness, Mr Crockett, Mr Lees and Mr Southgate.

Employees

The average number of persons employed by the Bank and its subsidiaries during the year was 5,240 of whom 5,050 were employed by the Bank. The aggregate remuneration was £103 million. In 1989/90 the average was 5,380 (of whom 5,170 were Bank staff) and aggregate remuneration was £96 million.

Staff numbers at end-February 1991



Support staff have been included in the areas in which they are working.

At 28 February 1991 the Bank employed 4,745 full-time and 240 part-time staff; of these, 275 full-time and 60 part-time staff were engaged on fixed-term contracts. The distribution at the year-end is shown in the following chart. Part-time staff are included as appropriate fractions.

585 staff left the Bank during the year. Of these, 168 were Banking Staff resignations, a lower figure than in the previous year; a further 205 staff left under severance schemes.

Changes in staff numbers

Year to end-February	1988	1989	1990	1991
Staff numbers at start of year	5,370	5,245	5,155	5,140
Departures in year	730	595	575	585
Recruitment in year	595	500	550	420
Inward secondees in year	10	5	10	10
Staff numbers at end of year	**5,245**	**5,155**	**5,140**	**4,985**

Currently there are 21 members of the Bank's staff on secondment overseas with other central banks, governments, international institutions and UK missions.

A further 23 staff are with UK organisations such as the Panel on Takeovers and Mergers, the Securities and Investments Board and government departments. In addition, 9 staff have been seconded to the newly established European Bank for Reconstruction and Development (EBRD). The number of inward secondees to the Bank from other UK and overseas organisations remains at 14. Two members of staff completed their study leave this year at INSEAD and the FCO Japanese Language Centre.

Employment policies

The Bank is an equal opportunities employer and ensures that all job applicants and members of staff receive equal treatment; there is no discrimination on grounds of sex, marital status, colour, racial or social origin, religion, or physical disability. Employees with disabilities are offered special assistance, wherever necessary. Various additional initiatives, such as Career Breaks and a Job Sharing Scheme, have now been introduced.

The Bank is fully committed to providing a safe and healthy work environment and accepts its responsibilities for looking after the health, safety and welfare of its staff, members of the public, visitors, and contractors working within its buildings. Procedures and policies are regularly reviewed to ensure working practices are kept in line with current legislation. During the last year every effort has been made to ensure that ergonomic factors are addressed to avoid the effects of Work

Related Upper Limb Disorders resulting from the greater use of computer terminals.

Training and development of staff remain a major priority. Developments during 1990 included tailored courses for groups of supervisory staff in Gloucester, counter staff in the Banking Department and those involved in budgeting; workshops have been run on equal opportunities issues. The presumption that staff will receive a progression of training during their careers has also received a new emphasis.

It has been decided that, in order to broaden their experience, Senior Officials will be permitted to accept non-executive directorships with large UK industrial and commercial companies. Two such appointments have already been made.

Community involvement and charitable donations

The Bank continues to support the following ventures:

Business in the Community
Spitalfields Community Job Link
Windsor Fellowship
The Industrial Society
Enterprise Agencies
Youth Training*
A Business/Education Compact
Opportunities for People with Disabilities
Employers Forum on Disability
National Star Centre for Disabled Youth
Fullemploy Group
Workwise
Project Trident
The City and Inner London North Training and Enterprise Council ('CILNTEC')

* The Bank won a 1990 National Training Award for its Youth Training programme.

At present, there are 11 members of staff on community secondments. Both community and technical secondments are likely to increase during the coming year.

During the year the Bank contributed a total of £1,000,000 in support of its community programme, encompassing donations, sponsorships, secondments and other community-related activities. Of this figure £294,000 was given to charitable organisations and a further £481,000 was contributed to a variety of other causes in the United Kingdom such as research and academic organisations and enterprise agencies. The Bank has continued to match, on a £1 for £1 basis, donations made by staff and pensioners to registered charities under the Payroll Giving Scheme (Give As You Earn).

Premises

It is estimated that the market value of the Bank's premises exceeded their book value by £93 million at 28 February 1991.

Auditors

Coopers & Lybrand Deloitte will continue as auditors of the Bank.