

GOVETT INVESTMENTS LIMITED
(Formerly AIB GOVETT UNIT TRUSTS LIMITED)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000

[Registered Number : 707614]

Govett Investments Limited
Shackleton House, 4 Battle Bridge Lane, London SE1 2HR
Telephone 0207 378 7979



GOVETT INVESTMENTS LIMITED (formerly AIB Govett Unit Trusts Limited)

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2000

The directors submit their report and the audited financial statements of the Company for the year ended 31 December 2000.

DIRECTORS

The following directors served throughout the year.

N J McEvoy (appointed Director 17th April 2000, appointed Chairman 25th July 2000)
The Hon K.J.T. Pakenham (Chairman) (resigned 28th March 2000)
P. Downing
M Dolan (appointed 18th October 2000)
A.W. Franks (resigned 25th July 2000)
S. Garrahy (resigned 25th July 2000)
C E W Lillis
B.M. Lee (resigned 17th May 2000)
J W Murray (appointed 25th July 2000)
K. Ounsworth (resigned 25th July 2000)
G. Roantree
H J de Sausmarez (appointed 18th October 2000)
G F Sinclair (appointed 25th July 2000)
M.P. Wilson (Managing Director) (resigned 30th March 2000)
R. J. Wood

All of the directors named above held office throughout the year with the exception of M Dolan, J Murray H J de Sausmarez, and GF Sinclair who were appointed in the year and B M Lee, A W Franks, S Garrahy, K Ounsworth, and M P Wilson, who resigned during the year. In accordance with the articles of association none of the directors retire by rotation.

SECRETARY

AIB Govett Asset Management Limited resigned as Secretary on 8th February 2000.

M Dolan was appointed Secretary on 8th February 2000.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

During the year the Company was sold by Govett Investment Management Limited, formerly AIB Govett Asset Management Limited, to AIB Asset Management Holdings Limited, the immediate parent company of Govett Investment Management Limited.

The Company's main activity is the promotion and management of unit trusts and open ended investment companies and dealing in the units/shares of those trusts/companies. No change in this activity is anticipated.

GOVETT INVESTMENTS LIMITED (formerly AIB Govett Unit Trusts Limited)

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2000 (CONTINUED)

NAME CHANGE

The Company changed its name from AIB Govett Unit Trusts Limited to Govett Investments Limited on 1st November 2000.

RESULTS AND DIVIDEND

The results for the year are set out in the attached financial statements. During the year an interim dividend of £200,000 (1999 : £750,000) and a final dividend of £1,200,000 (1999 : £850,000) were paid.

DIRECTORS' STATEMENT OF RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' INTERESTS

The interests of the directors in 'C' Ordinary Shares of 1p each of AIB Asset Management Holdings Limited are set out below.

	<u>31 December 2000</u>	<u>1 January 2000</u>
	Number	Number
N J McEvoy	150,000	0
The Hon K J T Pakenham	N/A	170,000
P Downing	50,000	0
B M Lee	50,000	65,000
M P Wilson	5,000	5,000
C E W Lillis	50,000	50,000
J W Murray	125,000	125,000
M Dolan	25,000	25,000
RJ Wood	8,000	8,000

GOVETT INVESTMENTS LIMITED (formerly AIB Govett Unit Trusts Limited)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2000 (CONTINUED)**

None of the directors have any options over shares in AIB Asset Management Holdings Limited.
No director had any other interest that falls to be disclosed under s324 of the Companies Act 1985.

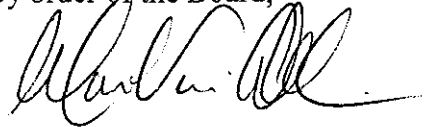
AUDITORS

PricewaterhouseCoopers have indicated their willingness to continue in office. A resolution to reappoint PricewaterhouseCoopers will be proposed at the next Annual General Meeting.

14th February 2001
Shackleton House
4 Battle Bridge Lane
London, SE1 2HR

Registered in England Number 707614

By order of the Board,



Secretary
M Dolan

GOVETT INVESTMENTS LIMITED (formerly AIB Govett Unit Trusts Limited)

AUDITORS' REPORT

To the Shareholder of Govett Investments Limited

We have audited the financial statements on pages 5 to 10 which have been prepared under the historical cost convention and the accounting policies set out in Note 1 on page 7.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report, As described on page 2, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

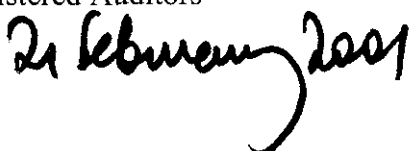
In our opinion the financial statements give a true and fair view of the state of affairs of the Company as at 31 December 2000 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers

Chartered Accountants

and Registered Auditors

London


24 February 2001

GOVETT INVESTMENTS LIMITED (formerly AIB Govett Unit Trusts Limited)

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2000**

	<u>Notes</u>	<u>2000</u> £	<u>1999</u> £
TURNOVER	2	6,835,498	6,668,044
ADMINISTRATIVE EXPENSES	3	<u>(5,626,879)</u>	<u>(4,381,855)</u>
GROSS PROFIT		1,208,619	2,286,189
OTHER OPERATING EXPENSES		<u>-</u>	<u>-</u>
OPERATING PROFIT		1,208,619	2,286,189
INTEREST RECEIVABLE		<u>323,830</u>	<u>374,663</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,532,449	2,660,852
TAX ON PROFIT ON ORDINARY ACTIVITIES	5	<u>213,678</u>	<u>(801,155)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,746,127	1,859,697
DIVIDENDS PAID		(1,400,000)	(1,600,000)
PROFIT FOR THE FINANCIAL YEAR		<u>346,127</u>	<u>259,697</u>

The results for the year are wholly attributable to continuing operations. There are no recognised gains or losses other than those set out above. There are no differences between the results of the company set out above and the results on an unmodified historical cost basis. A reconciliation of movements in shareholders' funds is given in Note 11 to the financial statements.

The notes on pages 7 to 10 form an integral part of these financial statements.

GOVETT INVESTMENTS LIMITED (formerly AIB Govett Unit Trusts Limited)

BALANCE SHEET AS AT 31 DECEMBER 2000

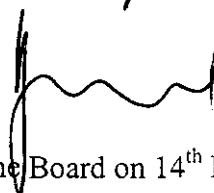
	Notes	<u>2000</u> £	<u>1999</u> £
CURRENT ASSETS			
Investments	6	141,971	186,415
Debtors	7	8,623,246	4,738,257
Cash at bank		<u>121,076</u>	<u>967,090</u>
		8,886,293	5,891,762
CREDITORS: amounts falling due within one year	8	<u>(7,637,889)</u>	<u>(4,989,485)</u>
NET CURRENT ASSETS		<u>1,248,404</u>	<u>902,277</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		1,248,404	902,277
		<u>1,248,404</u>	<u>902,277</u>
CAPITAL AND RESERVES			
Called up share capital	9	500,000	500,000
Profit and loss account	10	748,404	402,277
EQUITY SHAREHOLDERS' FUNDS		<u>1,248,404</u>	<u>902,277</u>

N McEvoy



Director

RJ Wood



Director

Approved by the Board on 14th February 2001

The notes on pages 7 to 10 form an integral part of these financial statements.

GOVETT INVESTMENTS LIMITED (formerly AIB Govett Unit Trusts Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards in the United Kingdom, except for the measurement of sales and cost of sales in order to arrive at turnover. These circumstances are explained in note 2.

Investments

Units in unit trusts are valued at the lower of cost or cancellation value. Shares in open ended investment companies are valued at net asset value.

Foreign currency

Foreign currency assets and liabilities are translated to sterling at the rates of exchange ruling at the balance sheet date. Exchange gains or losses are dealt with through the profit and loss account.

Deferred taxation

Deferred taxation is calculated using the liability method in respect of all material timing differences to the extent that it is probable that a liability or asset will crystallise.

Cashflow

The Company is exempt under FRS1 from preparing a Cashflow Statement because the Company is a wholly owned subsidiary.

2 TURNOVER

	<u>2000</u>	<u>1999</u>
	£	£
Sales	263,992,373	200,108,052
Cost of sales	<u>(263,499,239)</u>	<u>(199,778,322)</u>
	493,134	329,730
Management fees	<u>6,342,364</u>	<u>6,338,314</u>
	<u>6,835,498</u>	<u>6,668,044</u>

Sales represents the amount received and receivable, net of VAT and discounts, for sales and liquidations/cancellations of units/shares in unit trusts and open ended investment companies (OEICs) and net investment income arising from liquidations of units/cancellation of shares. Cost of sales represents the amount paid and payable for purchases and creations of units in unit trusts/issue of shares in OEICs, commission paid and other associated costs. Neither sales nor cost of sales includes sales and purchases relating to switches between different unit trusts as the directors believe that the inclusion of gross figures would not give a true and fair view. All turnover derives from operations in the United Kingdom and is accounted for on an accruals basis.

GOVETT INVESTMENTS LIMITED (formerly AIB Govett Unit Trusts Limited)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2000 (CONTINUED)

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The Company has no employees as all staff have contracts of employment with Govett Investment Management Limited (formerly AIB Govett Asset Management Limited), a fellow subsidiary of AIB Asset Management Holdings Limited, and are seconded to Govett Investments Limited. Audit costs are borne by Govett Investment Management Limited.

The Company reimbursed Govett Investment Management Limited £4,205,887 (1999 £3,245,825) for services undertaken by its employees and costs incurred on behalf of the Company.

4 DIRECTORS EMOLUMENTS

The directors were employed and remunerated by a fellow subsidiary, Govett Investment Management Limited (formerly AIB Govett Asset Management Limited). Emoluments for seven directors were recharged to the Company.

	<u>1999</u>	<u>2000</u>
	£	£
Aggregate emoluments	609,842	315,905
Compensation for loss of office	77,500	-

Retirement benefits are accruing to all of the directors under either the company's defined benefit scheme or defined contribution scheme.

Highest Paid Director	<u>2000</u>	<u>1999</u>
	£	£
Aggregate emoluments and benefits	228,993	77,850
Defined contribution schemes:		
Contributions made by the Company	9,520	-

5 TAXATION

	<u>2000</u>	<u>1999</u>
	£	£
Corporation tax (credit)/charge on the taxable profit for the year	(213,678)	801,155

Taxation for the year is at a rate of 30.00% (1999:30.25%). However, the above amounts include allowances for Group taxation relief.

GOVETT INVESTMENTS LIMITED (formerly AIB Govett Unit Trusts Limited)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000(CONTINUED)**

6 INVESTMENTS

	<u>2000</u> £	<u>1999</u> £
Units in unit trusts/Shares in OEICs	<u>141,971</u>	<u>186,415</u>
At 31 December 2000 the cancellation value of the Company's investment was £141,971 (1999: £186,415).		

7 DEBTORS

	<u>2000</u> £	<u>1999</u> £
Trade debtors	1,703,186	1,643,408
Other debtors	9,636	18,263
Prepayments	29,544	42,535
Corporation Tax	250,486	-
Amounts owed from Group Undertakings	<u>6,630,394</u>	<u>3,034,051</u>
	<u>8,623,246</u>	<u>4,738,257</u>

Trade debtors include £784,746 (1999: £843,911) due from unit trusts/OEICs managed by the company.

8 CREDITORS: amounts falling due within one year

	<u>2000</u> £	<u>1999</u> £
Trade creditors	3,989,230	2,302,294
Other creditors and accruals	1,845,248	1,009,938
Amounts owed to group undertakings	1,803,411	15,421
Corporation tax	-	<u>1,661,832</u>
	<u>7,637,889</u>	<u>4,989,485</u>

9 CALLED UP SHARE CAPITAL

	<u>2000</u> £	<u>1999</u> £
Authorised, allotted and fully paid 500,000 Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>

10 PROFIT AND LOSS ACCOUNT

	£	£
Balance at 1 January 2000	402,277	142,580
Profit retained for the year	<u>346,127</u>	<u>259,697</u>
Balance at 31 December 2000	<u>748,404</u>	<u>402,277</u>

GOVETT INVESTMENTS LIMITED (formerly AIB Govett Unit Trusts Limited)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000 (CONTINUED)**

11 MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>2000</u> £	<u>1999</u> £
Balance at 1 January 2000	902,277	642,580
Profit after tax	1,746,127	1,859,697
Dividends paid	(1,400,000)	(1,600,000)
Balance at 31 December 2000	<u>1,248,404</u>	<u>902,277</u>

12 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions in paragraph 3(c) of Financial Reporting Standard No. 8 not to disclose transactions with other fellow subsidiary undertakings of the company's intermediate parent company, AIB Asset Management Holdings Limited, as all the relevant transactions and disclosures are contained within that company's consolidated financial statements. Balances with related parties are disclosed in the relevant notes. As at 31 December 2000 cash balances held with AIB Group totalled £6,630,394.

13 IMMEDIATE AND ULTIMATE PARENT COMPANIES

AIB Asset Management Holdings Limited, a company registered in England, is the immediate parent undertaking of the Company.

Copies of the group accounts of AIB Asset Management Holdings Limited may be obtained from the company secretary, Shackleton House, 4 Battle Bridge Lane, London, SE1 2HR.

Allied Irish Banks, p.l.c, a company incorporated in the Republic of Ireland, is the parent company of the largest group to consolidate the accounts of the Company. Copies of the group accounts of Allied Irish Banks, p.l.c may be obtained from the Company Secretary, Bankcentre, Ballsbridge, Dublin 4.