

Homeowners Unit Trust Managers Limited

Report and Accounts

31 December 1997



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Homeowners Unit Trust Managers Limited

Registered No. 3224780

DIRECTORS

P N Sparling (Chairman)

S Fox

COMPANY SECRETARY

C E Hughes

AUDITORS

Ernst & Young

PO Box 61

Cloth Hall Court

14 King Street

Leeds LS1 2JN

BANKERS

Coutts & Co.

3rd Floor

New London Bridge House

25 London Bridge Street

London

SE1 9SQ

TRUSTEE

Coutts & Co.

3rd Floor

New London Bridge House

25 London Bridge Street

London

SE1 9SQ

REGISTERED OFFICE

Gardner House

PO Box 94

Hornbeam Park Avenue

Harrogate

HG2 8XE

ADMINISTRATION AND DEALING

International Fund Managers UK Limited

155 Bishopsgate

London

EC2M 3XY

Regulated by the Personal Investment Authority (PIA) and Investment Management Regulatory Organisation (IMRO). A member of the Association of Unit Trusts and Investment Funds (AUTIF).

Homeowners Unit Trust Managers Limited

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the period ended 31 December 1997.

PRINCIPAL ACTIVITY

The Company's principal activity during the year was that of unit trust management.

REVIEW OF THE BUSINESS

The loss on ordinary activities after taxation amounted to £381,157.

The company was incorporated on 15 July 1996 and commenced trading on 15 January 1997.

DIVIDEND

The directors do not recommend the payment of a dividend for the period.

DIRECTORS AND THEIR INTERESTS

The present membership of the board is set out on page 1. Details of changes of the Board are set out below.


	<i>Date appointed</i>	<i>Date resigned</i>
D Barnes	15 July 1996	8 August 1996
T M Batten	8 August 1996	4 December 1997
S Fox	8 August 1996	
C E Hughes	15 July 1996	8 August 1996
T O'Leary	8 August 1996	4 December 1997
P N Sparling	21 May 1997	
P R Stanford	8 August 1996	31 October 1997

There are no directors' interests requiring disclosure under the Companies Act 1985.

AUDITOR

Ernst & Young have expressed their willingness to continue in office as auditor of the company and a resolution for their re-appointment at a remuneration to be agreed by the directors will be proposed at General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board.


C E Hughes
Secretary

26 March 1998

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE
ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. As is required the directors have prepared the accounts on a going concern basis and ensured that applicable accounting standards have been followed and that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used.

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 accounts 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.

REPORT OF THE AUDITORS

to the members of Homeowners Unit Trust Managers Limited

We have audited the accounts on pages 5 to 9, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 December 1997 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young

Ernst & Young
Chartered Accountants
Registered Auditor
Leeds

27 March 1998

Homeowners Unit Trust Managers Limited

PROFIT AND LOSS ACCOUNT for the period ended 31 December 1997

CONTINUING OPERATIONS

		<i>15 January 1997 to 31 December 1997</i>
	<i>Notes</i>	<i>£</i>
Turnover	2	3,341,824
Cost of sales		3,262,055
GROSS PROFIT		<u>79,769</u>
Administrative expenses		(515,336)
Other operating income		31,145
OPERATING LOSS	3	<u>(404,422)</u>
Interest receivable and similar income	6	23,265
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(381,157)</u>
Tax on loss on ordinary activities	7	-
RETAINED LOSS ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE PERIOD		<u><u>(381,157)</u></u>

There are no recognised gains or losses for the period other than the loss on ordinary activities shown above.

Homeowners Unit Trust Managers Limited

BALANCE SHEET

at 31 December 1997

	Notes	1997 £
CURRENT ASSETS		
Investments	8	19,093
Debtors	9	1,375
Cash on deposit and on current account		261,377
		<u>281,845</u>
CREDITORS:		
amounts falling due within one year	10	63,002
		<u>218,843</u>
NET CURRENT ASSETS		<u>218,843</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>218,843</u></u>
 CAPITAL AND RESERVES		
Called up share capital	11	600,000
Profit and loss account	12	(381,157)
		<u>218,843</u>
Shareholders' funds	13	<u><u>218,843</u></u>

These financial statements were approved by the Board of Directors on 26 March 1998 and signed on its behalf by

P N Sparling
Director

Homeowners Unit Trust Managers Limited

NOTES TO THE ACCOUNTS

at 31 December 1997

1. ACCOUNTING POLICIES

Accounting convention

The accounts have been prepared under the historical cost convention.

Investments

Unit trust units held for resale at the balance sheet date have been valued at published bid price.

Cash flow statement

The Company has taken advantage of the exemption given by FRS1 (revised 1996) to subsidiary undertakings where 90% or more of the voting rights are controlled within the group, by not preparing a cash flow statement. Details of the ultimate holding company are given in note 15 on the accounts.

Accounting standards

The accounts and notes have been prepared in accordance with applicable accounting standards.

2. TURNOVER

Turnover is derived from the sale of new units within the United Kingdom and is stated net of discounts given.

3. OPERATING LOSS

This is stated after charging:-
Auditors' remuneration

1997
£

4,950

4. DIRECTORS' EMOLUMENTS

No emoluments were paid to the directors during the financial period.

5. STAFF COSTS

The Company does not employ any staff but utilises the services provided by the parent undertaking.

6. INTEREST RECEIVABLE AND SIMILAR INCOME

Bank deposit interest
Income from units held as current asset investments

1997
£

23,073

192

23,265

7. TAXATION

No corporation tax is due in respect of the activities of the company. Corporation tax losses amount to £381,157 and will be carried forward and offset against future years trading profits.

Homeowners Unit Trust Managers Limited

NOTES TO THE ACCOUNTS

at 31 December 1997

8. INVESTMENTS

	1997 £
Units held for resale	19,093

9. DEBTORS

	1997 £
UK tax recoverable	59
Prepayments and accrued income	1,204
Other debtors	112
	1,375

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1997 £
Trade creditors	5,653
Amounts owed to parent undertaking	36,304
Accruals	21,045
	63,002

11. SHARE CAPITAL

	1997 £
Authorised:	
Equity shares: ordinary shares of £1 each	1,000,000
Allotted, called up and fully paid:	
Equity shares: ordinary shares of £1 each	600,000

The Company was incorporated on 15 July 1996 with the issue of £1 share capital. A further 119,999 and 480,000 £1 ordinary shares were issued on 23 December 1996 and 13 May 1997 respectively.

On incorporation the company had authorised share capital of 100 £1 ordinary shares. This was increased to 250,000 £1 ordinary shares on 23 December 1996 and to 1,000,000 £1 ordinary shares on 12 May 1997.

Homeowners Unit Trust Managers Limited

NOTES TO THE ACCOUNTS

at 31 December 1997

12. PROFIT AND LOSS ACCOUNT

	1997 £
Retained loss for the financial period	(381,157)
At 31 December 1997	<u>(381,157)</u>

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	<i>Share capital</i> £	<i>Profit and loss account</i> £	<i>Total</i> £
Loss for the financial period	-	(381,157)	(381,157)
Issue of shares: 15 July 1996	1	-	1
23 December 1996	119,999	-	119,999
13 May 1997	480,000	-	480,000
At 31 December 1997	<u>600,000</u>	<u>(381,157)</u>	<u>218,843</u>

14. RELATED PARTY DISCLOSURE

The Company has taken advantage of the exemption given by FRS8 to subsidiary undertakings, 90% or more of whose voting rights are controlled within the group, by not disclosing information on related party transactions with entities that are part of the group, or investees of the group qualifying as related parties.

15. PARENT COMPANY

Homeowners Unit Trust Managers Limited is a wholly owned subsidiary of Homeowners Friendly Society Limited, a Friendly Society registered under The Friendly Societies Act 1992.