

FRAMLINGTON SECOND DUAL TRUST PLC

**Interim accounts
Period from 4 August to 31 December 1999
prepared in accordance
with Section 272 of the
Companies Act 1985**



Registered in England No. 03739055

155 Bishopsgate, London EC2M 3XJ

REVENUE ACCOUNT

		Period from 4 August 1999 to 31 December 1999	
	Note	£000's	£000's
INCOME FROM FIXED ASSET INVESTMENTS			2,335
OTHER INCOME			
Deposit and other interest receivable		161	
Underwriting commission		3	
			<u>164</u>
GROSS INCOME			2,499
Administration expenses	2		<u>(229)</u>
NET REVENUE FROM OPERATING ACTIVITIES			2,270
Interest payable	3		<u>(179)</u>
NET REVENUE FROM ORDINARY ACTIVITIES BEFORE TAXATION			2,091
Tax on net revenue from ordinary activities	4		<u>(183)</u>
NET REVENUE FROM ORDINARY ACTIVITIES AFTER TAXATION			1,908
DIVIDENDS	5		
Income shares			
1st Interim		931	
2nd Interim		-	
3rd Interim		-	
Final		-	
			<u>(931)</u>
NET PROFIT FOR THE PERIOD			977
REVENUE RESERVE BROUGHT FORWARD			-
REVENUE RESERVE AS STATED IN THE BALANCE SHEET			<u>977</u>

BALANCE SHEET

		As at 31 December 1999	
	Note	£000's	£000's
FIXED ASSET INVESTMENTS	6		99,976
CURRENT ASSETS			
Trade debtors		919	
Taxation recoverable		67	
Cash at bank		1,154	
		<u>2,140</u>	
CREDITORS			
Amounts falling due within one year:			
Trade creditors		420	
Dividends payable on income shares		931	
Provision for redemption of zero dividend preference shares		1,223	
		<u>2,574</u>	
NET CURRENT LIABILITIES			(434)
CREDITORS			
Amounts falling due after one year:			
Bank of Scotland loan			(21,541)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>78,001</u>
CAPITAL AND RESERVES			
CALLED UP SHARE CAPITAL	7		4,308
CAPITAL RESERVES			
Share premium account		81,855	
Revaluation surplus	8	(2,630)	
Realised capital profits/(losses)	9	(2,739)	
Reconstruction expenses		(3,770)	
		<u>72,716</u>	
REVENUE RESERVE			977
SHAREHOLDERS' FUNDS			<u>78,001</u>

APPROVED BY THE BOARD OF DIRECTORS
ON 26 January 2000


DIRECTOR

NOTES TO THE ACCOUNTS

Period from 4 August to 31 December 1999

1. ACCOUNTING POLICIES

PREPARATION OF ACCOUNTS

These accounts have been prepared in order that the company may comply with Section 272 of the Companies Act 1985. The company commenced its investment trust activities on 4 August 1999. These accounts cover the period from that date to 31 December 1999.

FIXED ASSET INVESTMENTS

Listed investments are valued at mid-market value and unlisted investments at directors' valuation. There are no unlisted investments as at 31 December 1999.

INCOME FROM FIXED ASSET INVESTMENTS

Investment income, inclusive of the attributable tax credit where applicable, is included in the revenue account on the date when the investment is first listed 'ex-dividend'.

REVENUE AND CAPITAL RESERVES

The revenue account of the company includes all income and revenue expenditure of the company. Capital gains and losses arising from the sale and revaluation of investments are dealt with through capital reserves. Investment management fees and finance charges are allocated 63% to capital and 37% to revenue in line with the board's expected long-term split of returns in the form of capital gains and income respectively from its investments. No allocation is made between the capital reserve and the revenue account of the tax relief attributable to those fees. Underwriting commission is accounted for on an accruals basis and dealt with in the revenue account.

2. ADMINISTRATION EXPENSES

Period ended
31 December
1999
£000's

Management and administration fee	449
Less amount charged to capital (note 9)	(283)
General expenses	39
Directors' emoluments	19
Auditors' remuneration	5
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	229
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NOTES TO THE ACCOUNTS

Period from 4 August to 31 December 1999

3. INTEREST PAYABLE

	Period 4 August 1999 to 31 December 1999 £000's
Interest on bank overdraft repayable within 5 years	2
Interest on Bank of Scotland loan	478
Less amount charged to capital (note 9)	(301)
	<hr/> 179 <hr/>

4. TAXATION

	Period 4 August 1999 to 31 December 1999 £000's
Tax credits applicable to franked investment income	183
	<hr/> 183 <hr/>

5. DIVIDENDS

	Period 4 August 1999 to 31 December 1999 £000's
Ordinary dividends paid and payable -	
1st Interim 1.80p	931
2nd Interim	-
3rd Interim	-
Final	-
	<hr/> 931 <hr/>

6. FIXED ASSET INVESTMENTS

	£000's
At cost 4 August 1999	-
Purchases	132,764
Disposals	(30,158)
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At 31 December 1999	102,606
Revaluation surplus (note 8)	(2,630)
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Valuation at 31 December 1999	99,976 <hr/>

NOTES TO THE ACCOUNTS

Period from 4 August to 31 December 1999

7. SHARE CAPITAL £000's**(a) Authorised**

At 4 August 1999

300,000,000 Income Shares of 5p each	15,000
300,000,000 Zero Dividend Preference Shares of 5p each	15,000
	<hr/> 30,000

(b) Allotted and fully paid

At 4 August 1999

51,697,859 Income Shares of 5p each	2,585
34,465,239 Zero Dividend Preference Shares of 5p each	1,723
	<hr/> 4,308

8. REVALUATION SURPLUS £000's

At 4 August 1999

Net movement in the period (2,630)At 31 December 1999

(2,630)Surplus arising on valuation of investments

(2,630)

9. REALISED CAPITAL PROFITS / (LOSSES) £000's

At 4 August 1999

Realised on investments in period	(932)
Provision for redemption of zero dividend preference shares (note 11)	(1,223)
Investment management fee charged to capital (note 2)	(283)
Loan interest charged to capital (note 3)	(301)

At 31 December 1999

(2,739)

10. CONTINGENT LIABILITIES

At 31 December 1999 the company had no underwriting commitments or commitments in respect of partly paid shares.

11. PROVISION FOR REDEMPTION OF ZERO DIVIDEND PREFERENCE SHARES£000's

At 4 August 1999

Provision during period (note 9) (1,223)At 31 December 1999

(1,223)