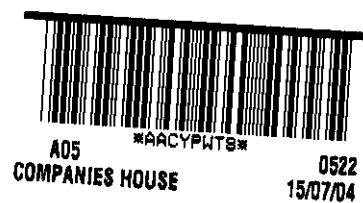


# **Framlington Second Dual Trust PLC**

(Registered number: 3739055)

*Interim*

~~Initial~~ Accounts for the period from 1 August 2003 to 30 April 2004



# Framlington Second Dual Trust PLC

## Statement of Total Return

	9 months to 30 April 2004 (unaudited)			12 months to 31 July 2003 (audited)		
	Revenue £000s	Capital £000s	Total £000s	Revenue £000s	Capital £000s	Total £000s
Gains/(losses) on investments	-	6,454	6,454	-	1,811	1,811
Income	2,299	-	2,299	3,267	-	3,267
Investment management fee	(233)	(233)	(466)	(270)	(270)	(540)
Other expenses	(150)	-	(150)	(217)	-	(217)
<b>Net return before finance costs and taxation</b>	<b>1,916</b>	<b>6,221</b>	<b>8,137</b>	<b>2,780</b>	<b>1,541</b>	<b>4,321</b>
Interest payable and similar charges	(607)	(607)	(1,214)	(806)	(806)	(1,612)
<b>Return on ordinary activities before taxation</b>	<b>1,309</b>	<b>5,614</b>	<b>6,923</b>	<b>1,974</b>	<b>735</b>	<b>2,709</b>
Tax on ordinary activities	-	-	-	-	-	-
<b>Return on ordinary activities after taxation attributable to equity shareholders</b>	<b>1,309</b>	<b>5,614</b>	<b>6,923</b>	<b>1,974</b>	<b>735</b>	<b>2,709</b>
Provision for zero dividend preference shares	-	(1,382)	(1,382)	-	(2,308)	(2,308)
Dividends in respect of equity shares	(1,551)	-	(1,551)	(2,068)	-	(2,068)
<b>Transfer (from)/to reserves</b>	<b>(242)</b>	<b>4,232</b>	<b>3,990</b>	<b>(94)</b>	<b>(1,573)</b>	<b>(1,667)</b>
<b>Return per ordinary share:</b>	<b>2.53p</b>	<b>8.19p</b>	<b>10.72p</b>	<b>3.82p</b>	<b>(3.04p)</b>	<b>0.78p</b>

Figures for the period to 30 April 2004 are unaudited.

The revenue column of this statement is the profit and loss account of the company.

All revenue and capital items in the above statement derive from continuing operations.

# Framlington Second Dual Trust PLC

Balance Sheet as at 30 April 2004

	Notes	30 April 2004 (unaudited) £000s	31 July 2003 (audited) £000s
<b>Fixed asset investments</b>			
Listed - Full listing		55,268	49,533
- AIM listing		1,444	78
	2	<b>56,712</b>	<b>49,611</b>
<b>Current assets</b>			
Debtors		551	523
Cash at bank		505	4,809
		<b>1,056</b>	<b>5,332</b>
<b>Creditors: amounts falling due within one year</b>			
Creditors		(772)	(520)
Proposed dividends		(517)	(517)
		<b>(1,289)</b>	<b>(1,037)</b>
<b>Net current (liabilities)/assets</b>		<b>(233)</b>	<b>4,295</b>
<b>Total assets less current liabilities</b>		<b>56,479</b>	<b>53,906</b>
<b>Creditors: amounts falling due after more than one year</b>			
Bank loan	3	(21,541)	(21,541)
<b>Net assets</b>		<b>34,938</b>	<b>32,365</b>
<b>Share capital and reserves</b>			
Called up share capital	4	3,836	3,963
Capital reserves			
Share premium account	5	18,086	18,086
Distributable capital reserve	5	52,748	55,547
Capital reserve - unrealised	5	(1,759)	(9,399)
Capital reserve - realised	5	(51,637)	(48,229)
Capital redemption reserve	6	472	345
Redemption reserve for zero dividend preference shares	7	12,878	11,496
Revenue reserves	5	314	556
<b>Shareholders funds</b>		<b>34,938</b>	<b>32,365</b>
<b>Net asset value per share</b>			
Ordinary income shares		-	-
Zero dividend preference shares		<b>139.68p</b>	<b>117.39p</b>

Approved by the board of directors on 19 June 2004 and signed on their behalf.

Director

JD CARR

## Framlington Second Dual Trust PLC

### Reconciliation of movement in Shareholders' Funds

	9 months to 30 April 2004 £000s	Year ended 31 July 2003 £000s
Net revenue after taxation	1,309	1,974
Dividends in respect of ordinary income shares	(1,551)	(2,068)
Net deficit transferred from reserves	(242)	(94)
Other recognised gains/(losses)	4,232	(1,573)
Transfer to redemption reserve for zero dividend preference shares	1,382	2,308
Repurchase of zero dividend preference shares	(2,799)	(2,075)
Net increase in shareholders funds	2,573	(1,434)
Opening shareholders' funds	32,365	33,799
Closing shareholders' funds	34,938	32,365

# Framlington Second Dual Trust PLC

## Cash flow statement

	9 months to 30 April 2004 (unaudited) £000s	12 months to 31 July 2003 (audited) £000s
<b>Operating activities</b>		
Investment income received	2,177	3,024
Interest received	86	221
Underwriting commission	18	-
Investment management fee charged to income	(225)	(255)
Fees and expenses paid to and on behalf of directors	(35)	(41)
Other cash payments	(136)	(159)
Net cash inflow from operating activities	1,885	2,790
<b>Servicing of finance</b>		
Interest paid	(1,227)	(1,613)
<b>Taxation</b>		
Taxation recovered	11	177
<b>Capital expenditure and financial investment</b>		
Net sales	(398)	2,628
Investment management fee charged to capital	(225)	(295)
<b>Dividends</b>		
Dividends paid	(1,551)	(2,068)
Net cash inflow before financing	(1,505)	1,619
<b>Financing</b>		
Repurchase of zero dividend preference shares	(2,799)	(2,075)
Net cash outflow from financing	(2,799)	(2,075)
Decrease in cash	(4,304)	(456)

# **Framlington Second Dual Trust PLC**

## **Notes to the financial statements for the 9 months period to 30 April 2004**

### **1. Accounting policies**

A summary of the principal accounting policies, all of which have been applied consistently throughout the period, is set out below:

#### **(a) Accounting convention**

The accounts have been prepared under the historical cost convention modified by the revaluation of investments and in accordance with applicable accounting standards and with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies".

#### **(b) Fixed assets investments**

Listed investments comprise those quoted on a recognised Stock Exchange. These investments have been valued at middle market prices.

#### **(c) Income**

Dividend income is included on the date the investment is first listed "ex-dividend". UK dividend income is shown net of attributable tax credits in accordance with FRS16 "Current Taxation".

#### **(d) Expenses**

Capital gains and losses arising from the sale and revaluation of investments are dealt with through capital reserves. Management fees are payable at a rate of 0.2375% per quarter on the gross assets of the Trust. 50% of the management fee is allocated to the capital account and 50% to the revenue account. All other expenses are charged to revenue apart from investment transaction costs which are charged to capital reserves.

#### **(e) Finance costs**

Finance costs are accounted for on an accruals basis and in accordance with the provisions of Financial Reporting Standard 4 "Capital Instruments". Finance costs of debt, insofar as they relate to the financing of the Trust's investments or to financing activities aimed at maintaining or enhancing the value of the Trust's investments, are allocated 50% to the capital account and 50% to the revenue account.

#### **(f) Taxation**

In accordance with FRS16 "Current Taxation" UK dividends are shown net of attributable tax credits. Overseas dividends and other income that is subject to withholding tax are shown gross.

#### **(g) Capital reserves**

Capital reserve - realised

The following are accounted for in this reserve:

- gains and losses on the realisation of investments.
- expenses and finance costs, together with the related taxation effect, are charged to this reserve in accordance with the above policies.

Capital reserve - unrealised

The following are accounted for in this reserve:

- increases and decreases in the valuation of investments held at the period-end.

# Framlington Second Dual Trust PLC

## Notes to the financial statements

*continued*

<b>2. Fixed asset investments</b>	<b>£000s</b>
<b>Cost</b>	
At 31 July 2003	59,010
Purchases at cost	18,004
Sales - proceeds	(17,357)
Sales - realised losses	(1,186)
<b>Cost at 30 April 2004</b>	<b>58,471</b>
Unrealised depreciation	(1,759)
<b>Valuation at 30 April 2004</b>	<b>56,712</b>

<b>3. Creditors: amounts falling due after more than one year</b>	<b>30 April 2004 £000s</b>	<b>31 July 2003 £000s</b>
Bank loan	21,541	21,541

The bank loan carries interest at 7.4641% per annum and is repayable on 4 August 2005.

<b>4. Called-up share capital</b>	<b>£000s</b>
<b>Authorised:</b>	
300,000,000 ordinary income shares of 5p each	15,000
300,000,000 zero dividend preference shares of 5p each	15,000
<b>Total authorised share capital</b>	<b>30,000</b>
<b>Allotted and fully paid:</b>	
<b>Ordinary income shares of 5p</b>	
At 31 July 2003 and 30 April 2004 - 51,697,859 shares	2,585
<b>Zero dividend preference shares of 5p</b>	
At 31 July 2003 - 27,571,239 shares	1,378
Transfer to capital redemption reserve on repurchase of 2,558,984 shares (note 6)	(127)
At 30 April 2004 - 25,012,255 shares	1,251
<b>Total allotted share capital</b>	<b>3,836</b>

# Framlington Second Dual Trust PLC

## Notes to the financial statements

*continued*

### 5. Reserves

	Share premium account £000s	Distributable reserve account £000s	Capital reserve - unrealised £000s	Capital reserve - realised £000s	Revenue reserve £000s
At 31 July 2003	18,086	55,547	(9,399)	(48,229)	556
Realised in the period - investments	-	-	-	(1,186)	-
Decrease in unrealised depreciation	-	-	7,640	-	-
Investment management fee charged to capital	-	-	-	(233)	-
Interest charged to capital	-	-	-	(607)	-
Increase in provision for redemption of zero dividend preference shares	-	-	-	(1,382)	-
Net revenue retained for the period	-	-	-	-	(242)
Repurchase of zero dividend preference shares	-	(2,799)	-	-	-
<b>At 30 April 2004</b>	<b>18,086</b>	<b>52,748</b>	<b>(1,759)</b>	<b>(51,637)</b>	<b>314</b>

### 6. Capital redemption reserve

	£000s
At 31 July 2003	345
Transfer from share capital (note 4)	127
<b>At 30 April 2004</b>	<b>472</b>

### 7. Redemption reserve for zero dividend preference shares

	£000s
At 31 July 2003	11,496
Provision for redemption of zero dividend preference shares transferred from capital reserve (note 5)	1,382
<b>At 30 April 2004</b>	<b>12,878</b>