

IVORY & SIME OPTIMUM INCOME TRUST PLC

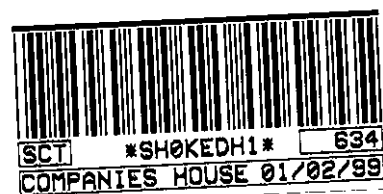
(Registered Number 172158)

INTERIM ACCOUNTS

FOR THE PERIOD

TO 30 NOVEMBER 1998

1



IVORY & SIME OPTIMUM INCOME TRUST PLC

Profit and Loss Account

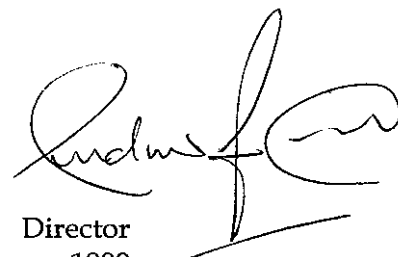
	Notes	Six Months to 30 November 1998 £'000	Period to 31 May 1998 £'000
INCOME			
Franked Investment Income		1,305	3,043
Unfranked Investment Income		36	75
Stock and Foreign Income Dividends		440	809
Deposit Interest		225	472
Underwriting Commission		0	1
Total Income	1	<u>2,006</u>	<u>4,400</u>
EXPENSES			
Administrative Expenses		(245)	(631)
Revenue before Taxation		<u>1,761</u>	<u>3,769</u>
Taxation	2	(277)	(662)
Available for Ordinary Shareholders		<u>1,484</u>	<u>3,107</u>
Dividend		(1,303)	(2,536)
		<u>181</u>	<u>571</u>
Earnings per Ordinary Share		4.21p	8.82p
Dividend per Ordinary Share		3.70p	7.20p

IVORY & SIME OPTIMUM INCOME TRUST PLC

Balance Sheet

	Notes	As at 30 November 1998 £'000	As at 31 May 1998 £'000
FIXED ASSETS - INVESTMENTS			
Investments	3	92,034	97,595
CURRENT ASSETS			
Debtors	4	633	1,792
Cash at Bank and on Deposit		6,123	4,752
Creditors (amounts falling due within one year)	5	(902)	(949)
Net Current Assets		<u>5,854</u>	<u>5,595</u>
Total Assets less current liabilities		<u>97,888</u>	<u>103,190</u>
CAPITAL AND RESERVES			
Ordinary Shares	6	3,522	3,522
Zero Dividend Preference Shares	6	35,224	35,224
Share Premium Account	7	40,607	40,607
Capital Reserve Realised	8	(16,815)	(13,656)
Capital Reserve Unrealised	8	18,456	22,896
Redemption Reserve	8	16,142	14,026
Revenue Reserve	8	752	571
Shareholders' Funds		<u>97,888</u>	<u>103,190</u>
Net Asset Value per Ordinary Share		132.08p	153.14p

Director
1 February 1999



IVORY & SIME OPTIMUM INCOME TRUST PLC

Accounting Policies

BASIS OF PREPARATION

The accounts are prepared under the historical cost convention modified to include revaluation of investments. The accounts are prepared in accordance with applicable accounting standards.

INVESTMENTS

Investments listed on the London Stock Exchange and quoted on The Unlisted Securities Market or alternative markets, are valued at middle market prices. Unlisted investments are valued by the Directors on the basis of all information available to them at the time of valuation.

CAPITAL AND RESERVES

- | | | | |
|-----|-----------------------------------|---|--|
| (a) | Capital Reserve Realised | - | gains and losses on realisation of investments are dealt with in this reserve. |
| (b) | Capital Reserve Unrealised | - | increases and decreases in the valuation of investments held are dealt with in this reserve. |

INCOME

- (a) Dividends from UK securities with the addition of the relevant tax credit, where appropriate, are included in the Revenue Account on an accruals basis when the security is first quoted "ex-dividend". Dividends taken by the Company as stock are included in the Revenue Account on accruals basis.
- (b) Deposit interest is included on an accruals basis.
- (c) Underwriting commission is included on an accruals basis.

EXPENSES

Administrative expenses and interest payable are dealt with on an accruals basis.

IVORY & SIME OPTIMUM INCOME TRUST PLC

	Six months to 30 November 1998 £'000	Period to 31 May 1998 £'000
1. INCOME		
Listed on the London Stock Exchange	1,781	3,927
Deposit Interest	225	472
Other Income	0	1
	<u>2,006</u>	<u>4,400</u>
	—	—
2. TAXATION		
Tax on Franked Investment Income	239	608
Corporation Tax	38	54
	<u>277</u>	<u>662</u>
	—	—
3. FIXED ASSETS - INVESTMENTS		
Cost at 31 May 1998	74,699	
Additions at Cost	1,330	
Disposals at Cost	(2,451)	
Cost at 30 November 1998	<u>73,578</u>	
Unrealised appreciation	18,456	
Valuation at 30 November 1998	<u>92,034</u>	
	=====	
Investments listed on the London Stock Exchange	92,034	
	=====	

IVORY & SIME OPTIMUM INCOME TRUST PLC

Notes to the Accounts

	As at 30 November 1998 £'000	As at 31 May 1998 £'000
4. DEBTORS		
Due from Brokers	38	1,272
Accrued Income	469	373
Taxation	95	88
Other Debtors	31	59
	<u>633</u>	<u>1,792</u>

5. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

Dividend	652	634
Other Creditors	250	315
	<u>902</u>	<u>949</u>

6. SHARE CAPITAL

	Authorised		Allotted Issued and Fully Paid	
	Number	Nominal Value	Number	Nominal Value
Ordinary Shares of 10p	60,000,000	£6,000,000	35,223,639	£3,522,364
	=====	=====	=====	=====
Zero Dividend Preference Shares of 100p each	60,000,000	£6,000,000	35,223,639	£35,223,639
	=====	=====	=====	=====

IVORY & SIME OPTIMUM INCOME TRUST PLC

Notes to the Accounts

7. SHARE PREMIUM ACCOUNT £'000

At 31 May 1998 and 30 November 1998	40,607
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8. RESERVES

Capital Reserve Realised

At 31 May 1998	(13,656)
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Gain on Sale of Investments during the period	(826)
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Enhanced Stock Dividends	9
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Management Fees charged to capital	(264)
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Taxation	38
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Transfer to Redemption Reserve	(2,116)
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At 30 November 1998	(16,815)
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Capital Reserve Unrealised

At 31 May 1998	22,896
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Depreciation of investments during the period	(4,440)
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At 30 November 1998	18,456
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Redemption Reserve

At 31 May 1998	14,026
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Transfer from Capital Reserve Realised	2,116
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At 30 November 1998	16,142
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Revenue Reserve

At 31 May 1998	571
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Transfer from revenue account	181
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At 30 November 1998	752
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