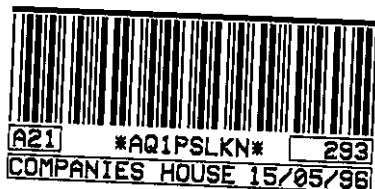


Registered No. 1915516

FAMILY INVESTMENT MANAGEMENT LIMITED

FINANCIAL STATEMENTS

1995



FAMILY INVESTMENT MANAGEMENT LIMITED

DIRECTORS' REPORT

The Directors present their Annual Report and the audited financial statements for the year ended 31st December 1995.

Review of business

The Company's principal activity during the year was unit trust management. The Directors believe that the present level of activity will be sustained for the foreseeable future.

The Company is a member of AUTIF and is regulated by the Personal Investment Authority and Investment Management Regulatory Organisation Limited.

Results and Dividends

The profit for the year was £108,593 (1994: profit £5,162). The Directors do not recommend the payment of a dividend in 1995 (1994: £nil).

Directors

The Directors of the Company at 31st December 1995, both of whom have been directors for the whole of the financial year, are listed below:

J R Reeve	Chairman
K P Owen	Company Secretary

Indemnity insurance for the Directors was in force during the year.

No Director had any interest in the shares of the Company at 31st December 1995.

FAMILY INVESTMENT MANAGEMENT LIMITED

DIRECTORS' REPORT (Continued)

Statement of Directors' 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 and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to

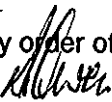
- * select suitable accounting policies and then apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- * 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.

Auditors

Coopers & Lybrand have been appointed as auditors. They have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the next Annual General Meeting.

By order of the Board.


K P Owen
Secretary

Date: 2nd April 1996

16 West Street
Brighton
East Sussex
BN1 2RE

FAMILY INVESTMENT MANAGEMENT LIMITED
REPORT OF THE AUDITORS TO THE MEMBERS OF
FAMILY INVESTMENT MANAGEMENT LIMITED

We have audited the financial statements on pages 5 to 10.

Respective Responsibilities of Directors and Auditors

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

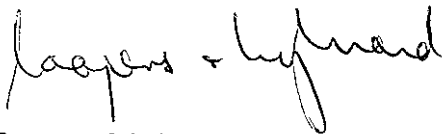
Basis of Opinion

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 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 the affairs of the Company at 31st December 1995 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Coopers & Lybrand
Chartered Accountants and Registered Auditors
1 Embankment Place
LONDON
WC2N 6NN

Date: 2nd April 1996

FAMILY INVESTMENT MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1995

	<u>Notes</u>	<u>1995</u> £	<u>1994</u> £
Continuing Operations			
Turnover	2	28,279,301	23,938,013
Cost of Sales		(27,712,009)	(23,543,549)
Gross Profit		<u>567,292</u>	<u>394,464</u>
Administrative Expenses		(409,555)	(396,131)
Profit/(Loss) on Ordinary Activities before Interest and Taxation		157,737	(1,667)
Interest Receivable		22,983	6,829
Profit on Ordinary Activities before Taxation	3	<u>180,720</u>	<u>5,162</u>
Tax on Profit on Ordinary Activities	4	(72,127)	-
Retained Profit for the financial year	10,11	<u><u>108,593</u></u>	<u><u>5,162</u></u>

The Company has no recognised gains and losses other than those included in the movements on the Profit and Loss account above, and therefore no separate statement of total recognised gains and losses has been prepared.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

The notes on pages 8 to 10 form part of these accounts.

FAMILY INVESTMENT MANAGEMENT LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1995

	<u>Notes</u>	<u>1995</u> £	<u>1994</u> £
CURRENT ASSETS			
Debtors	7	568,898	214,621
Cash at bank		87,289	13,434
		<u>656,187</u>	<u>228,055</u>
CREDITORS:			
Amounts falling due within one year	8	(463,252)	(143,713)
NET CURRENT ASSETS		<u>192,935</u>	<u>84,342</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>192,935</u>	<u>84,342</u>
 CAPITAL AND RESERVES			
Called up Share Capital	9	70,000	70,000
Profit and Loss account	10	122,935	14,342
Shareholders' Funds (equity interests)	11	<u>192,935</u>	<u>84,342</u>

The financial statements on pages 5 to 10 were approved by the Board of Directors on 2nd April 1996



Chairman
J R Reeve



Secretary
K P Owen

The notes on pages 8 to 10 form part of these accounts.

FAMILY INVESTMENT MANAGEMENT LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 1995

	<u>Notes</u>	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
Net cash inflow/(outflow) from operating activities	12	50,872	(99,949)
Returns on investments and servicing of finance			
Interest received		22,983	6,829
Net cash inflow from returns on investments and servicing of finance		<u>22,983</u>	<u>6,829</u>
Net cash inflow/(outflow) before financing		<u>73,855</u>	<u>(93,120)</u>
Increase/(decrease) in cash and cash equivalents	13,14	<u><u>73,855</u></u>	<u><u>(93,120)</u></u>

The notes on pages 8 to 10 form part of these accounts.

FAMILY INVESTMENT MANAGEMENT LIMITED

NOTES TO THE ACCOUNTS

1. Accounting Policies

The financial statements have been prepared in accordance with applicable Accounting Standards issued in the United Kingdom. The financial statements have been prepared under the historical cost convention.

2. Turnover

All turnover is derived in the United Kingdom from sale of units in unit trusts and fees relating to investment management, and is stated exclusive of VAT.

3. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is after charging:	<u>1995</u> £	<u>1994</u> £
Auditors' remuneration (audit services)	<u>1,293</u>	<u>1,407</u>

4. Taxation

	<u>1995</u> £	<u>1994</u> £
Prior year Group relief	14,127	-
Corporation Tax	<u>58,000</u>	<u>-</u>
	<u>72,127</u>	<u>-</u>

A provision for corporation tax has been made at 33%.

Provision is made for payment to fellow subsidiary companies in respect of tax losses surrendered at a rate of 100% of those losses.

There is no provision for deferred taxation.

5. Directors Emoluments

The current Directors received no emoluments during the year in respect of their services since they are remunerated as members of the Committee of Management of the Company's parent. (1994: £nil).

6. Employees

There are no employees directly employed by the Company. A service charge payable by the Company to the parent includes a portion for salary and staff related costs.

7. Debtors:

	<u>1995</u> £	<u>1994</u> £
Amounts Falling Due Within One Year:		
Amounts owed by group undertakings:		
Parent	-	139,279
Trade debtors	566,437	74,308
Prepayments and accrued income	<u>2,461</u>	<u>1,034</u>
	<u>568,898</u>	<u>214,621</u>

The amount owed by the parent represents monies held on group deposit in order to achieve a higher rate of interest.

FAMILY INVESTMENT MANAGEMENT LIMITED

NOTES TO THE ACCOUNTS (Continued)

8. Creditors:	<u>1995</u>	<u>1994</u>
	£	£
Amounts Falling Due Within One Year:		
Amounts owed to group undertakings:		
Parent	127,480	-
Fellow subsidiary undertakings	52,445	55,678
Trade creditors	202,447	43,098
Corporation taxation	58,000	-
Other creditors	6,750	5,425
Accruals and deferred income	16,130	39,512
	<u>463,252</u>	<u>143,713</u>
9. Share Capital	<u>1995</u>	<u>1994</u>
	£	£
Authorised £1 ordinary shares	<u>500,000</u>	<u>500,000</u>
Allotted, called up and fully paid £1 ordinary shares	<u>70,000</u>	<u>70,000</u>
10 Profit and Loss Account	<u>1995</u>	<u>1994</u>
	£	£
Balance at 1 January	14,342	9,180
Profit for the year	108,593	5,162
Balance at 31 December	<u>122,935</u>	<u>14,342</u>
11 Reconciliation of Movements in Shareholders' Funds	<u>1995</u>	<u>1994</u>
	£	£
Profit for the financial year	108,593	5,162
Opening Shareholders' Funds	84,342	79,180
Closing Shareholders' Funds	<u>192,935</u>	<u>84,342</u>
12 Reconciliation of operating profit to net cash flow from operating activities	<u>1995</u>	<u>1994</u>
	£	£
Operating profit/(loss)	157,737	(1,667)
(Increase)/decrease in debtors	(354,277)	1,650
Increase/(decrease) in creditors	247,412	(99,932)
Net cash flow from operating activities	<u>50,872</u>	<u>(99,949)</u>
13 Analysis of changes in cash and cash equivalents during the year	<u>1995</u>	<u>1994</u>
	£	£
Balance at 1 January	13,434	106,554
Net cash outflow	73,855	(93,120)
Balance at 31 December	<u>87,289</u>	<u>13,434</u>

FAMILY INVESTMENT MANAGEMENT LIMITED

NOTES TO THE ACCOUNTS

(Continued)

14 Analysis of the balances of cash and cash equivalents as shown in the balance sheet

	<u>1995</u>	<u>1994</u>	<u>Change</u>
	<u>£</u>	<u>£</u>	<u>in year</u>
			<u>£</u>
Cash at bank and in hand	87,289	13,434	73,855

	<u>1994</u>	<u>1993</u>	<u>Change</u>
	<u>£</u>	<u>£</u>	<u>in year</u>
			<u>£</u>
Cash at bank and in hand	13,434	106,554	(93,120)

15 Ultimate Parent

The ultimate parent is Family Assurance Friendly Society Limited, a Friendly Society incorporated in England and Wales in accordance with the Friendly Societies Act 1992. Copies of the ultimate parent's consolidated financial statements may be obtained from:

The Secretary
Family Assurance Friendly Society Limited
16-17 West Street
Brighton
East Sussex
BN1 2RL