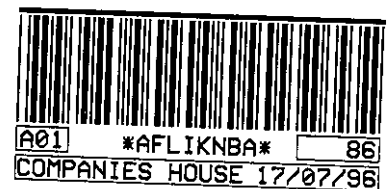


Registered number 2678531

**HENDERSON TOUCHE REMNANT UNIT TRUST
MANAGEMENT LIMITED**

REPORT AND ACCOUNTS

31 MARCH 1996



Henderson Touche Remnant Unit Trust Management Limited

Report and accounts for the year ended 31 March 1996

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Directors

D M Eadie (Chairman)	H C S Manners
H J de Sausmarez (Managing Director w.e.f. 22 March 1996)	A McNally
J R Alexander	C S E Murphy
A J Bond	D Payne
J Botham	S V Peak
N E J Brandt	M V Phythian-Adams
G I Buckley	J P Robinson
I C Dickson	M H Robinson
R J D Eats	I Scott
S C Ellis	R W Smith
L P Firth-McGuckin	A C J Solway
J S Harris	J K Soutter
W P Garnett	T P Stevenson
D Gillott	P C Wagstaff
J Husselbee	M Wood-Martin
P T Johnson	T Woolley
M J Lund	

Secretary and registered office

Henderson Secretarial Services Limited
3 Finsbury Avenue
London EC2M 2PA

Henderson Touche Remnant Unit Trust Management Limited

Notice of meeting

Notice is hereby given that the Annual General Meeting of the Company will be held at 3 Finsbury Avenue, London, EC2M 2PA on 4 July 1996 at 9.50am to transact the ordinary business of the Company.

Members entitled to attend and vote at the meeting are entitled to appoint a proxy to attend and, in the event of a poll, vote instead of them. A proxy need not be a member of the Company.

By order of the Board

Henderson Secretarial Services Limited
Secretary

A handwritten signature in black ink, appearing to be 'P J Collins', written over a faint horizontal line.

P J Collins
Director

10 June 1996

Henderson Touche Remnant Unit Trust Management Limited

Directors' report

The directors present their report and accounts for the year ended 31 March 1996.

Activities

The principal activity of the Company, which is regulated by IMRO and the PIA, is and will continue to be the management of unit trusts.

Results and dividends

The profit and loss account is set out on page 7 and shows the profit for the year.

The directors have declared the following interim dividend and now recommend the following final dividend to be paid on 15 July 1996 to shareholders on the register on 10 June 1996 in respect of the year ended 31 March 1995.

	1996 £	1995 £
Ordinary dividends:		
Interim paid	1,500,000	3,100,000
Final proposed	<u>5,400,000</u>	<u>2,500,000</u>
	<u>6,900,000</u>	<u>5,600,000</u>

Directors and their interests

The directors of the Company are set out on page 1, all of whom held office throughout the year, except D M Eadie who was appointed a director on 4 August 1995, J K Soutter on 2 May 1995, L P Firth-McGuckin on 15 September 1995, P C Wagstaff on 22 September 1995, P T Johnson, M V Phythian-Adams and A C J Solway on 26 October 1995, N E J Brandt on 5 February 1996, J Husselbee on 19 February 1996 and A J Bond, J Botham, I C Dickson, W P Garnett, D Gillott, M J Lund, H C S Manners, A C McNally, C S E Murphy, J P Robinson, M H Robinson, T P Stevenson, M Wood-Martin and T Woolley on 22 March 1996. A J Gadd and R J E Minter-Kemp resigned from the board on 13 April 1995, G E P Beech on 26 April 1995, J D Brasington on 27 April 1995, J J C Edwards on 21 June 1995 and A J Henderson on 10 November 1995. J H Chatfeild-Roberts resigned as a director on 17 November 1995 having been appointed on 2 May 1995. R J D Eats resigned as a director and as managing director on 9 April 1996.

None of the directors has any interests in the shares of the Company, other Group company or associated undertaking, which require to be disclosed under the Companies Act 1985 except those noted below who beneficially held ordinary shares and options in Henderson Administration Group plc as follows:

Henderson Touche Remnant Unit Trust Management Limited

Directors and their interests *continued*

	Shares		Share options			
	1995 or date of appointment	1996	1995 or date of appointment	Granted	Exercised	1996
J R Alexander	-	9,632	20,000	5,000	-	25,000
A J Bond	-	-	5,000	-	-	5,000
I C Dickson	-	-	3,000	-	-	3,000
S C Ellis	-	-	4,000	5,000	-	9,000
W P Garnett	16,376	16,376	25,000	-	-	25,000
D Gillott	-	-	1,000	9,000	-	10,000
H C S Manners	9,632	9,632	11,000	-	-	11,000
C S E Murphy	140	140	10,000	-	-	10,000
D Payne	695	1,000	4,000	-	4,000	-
S V Peak	-	3,564	25,000	5,000	-	30,000
M V Phythian-Adams	-	-	17,500	-	-	17,500
J P Robinson	7,706	7,706	30,000	-	-	30,000
I Scott	1,345	7,345	17,500	-	6,000	11,500
J K Soutter	-	-	-	5,000	-	5,000
T P Stevenson	4,816	4,816	25,000	-	-	25,000
P C Wagstaff	-	-	5,000	-	-	5,000
M Wood-Martin	-	-	10,000	-	-	10,000

Payment of suppliers

The Company's policy is to pay its suppliers by the due date specific to each transaction.

Auditors

A resolution will be proposed at the annual general meeting to reappoint the auditors, Coopers & Lybrand, and to authorise the directors to fix their remuneration.

Statement of directors' responsibilities

The directors are required by UK company law to prepare accounts for each financial year that give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period.

Henderson Touche Remnant Unit Trust Management Limited

Statement of directors' responsibilities *continued*

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the accounts for the year ended 31 March 1996. The directors also confirm that applicable accounting standards have been followed and that the accounts have been prepared on a going concern basis.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board
Henderson Secretarial Services Limited
Secretary



P J Collins
Director

10 June 1996

Henderson Touche Remnant Unit Trust Management Limited

Report of the auditors

To the Members of Henderson Touche Remnant Unit Trust Management Limited

We have audited the accounts on pages 7 to 14.

Respective responsibilities of directors and auditors

As described on pages 4 and 5, 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.

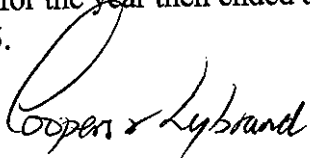
Basis of opinion

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 at 31 March 1996 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


COOPERS & LYBRAND
Chartered Accountants and
Registered Auditors

London
10 June 1996

Henderson Touche Remnant Unit Trust Management Limited

PROFIT AND LOSS ACCOUNT
for the year ended 31 March 1996

	Notes	1996 £'000	1995 £'000
REVENUE	2	20,190	23,216
Operating expenses		8,708	16,652
		<hr/>	<hr/>
OPERATING PROFIT	3	11,482	6,564
Interest receivable		2,032	2,127
Interest payable		-	(162)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		13,514	8,530
Tax on profit on ordinary activities	4	4,227	2,587
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR		9,287	5,942
Dividends	5	6,900	5,600
		<hr/>	<hr/>
RETAINED PROFIT FOR THE YEAR	10	2,387	342
		<hr/> <hr/>	<hr/> <hr/>

There were no recognised gains or losses during the year other than those identified in the profit and loss account.

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

Henderson Touche Remnant Unit Trust Management Limited

BALANCE SHEET at 31 March 1996

	Notes	1996 £'000	1995 £'000
CURRENT ASSETS			
Stock of unit trust units		329	403
Debtors	6	34,684	9,682
Cash at bank and in hand		7,871	49,511
		<u>42,884</u>	<u>59,596</u>
CREDITORS: Amounts falling due within one year	8	36,697	55,796
		<u>6,187</u>	<u>3,800</u>
NET CURRENT ASSETS			
		<u>6,187</u>	<u>3,800</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,187</u>	<u>3,800</u>
CAPITAL AND RESERVES			
Called up share capital	9	1,000	1,000
Profit and loss account	10	5,187	2,800
		<u>6,187</u>	<u>3,800</u>
EQUITY SHAREHOLDERS' FUNDS		<u>6,187</u>	<u>3,800</u>

The accounts on pages 7 to 14 were approved by the Board of directors on 10 June 1996 and were signed on its behalf by:-


P T JOHNSON
Director

**NOTES TO THE ACCOUNTS
at 31 March 1996**

1. ACCOUNTING POLICIES

Basis of Accounting

The accounts have been prepared on the historical cost basis of accounting and in accordance with applicable UK accounting standards.

Management Fees

Management fees are accounted for on the accruals basis and the accounts include estimates of fees receivable where the actual amounts have not been determined.

Deferred Taxation

Deferred taxation is accounted for at the estimated future tax rate on all timing differences only where there is a reasonable probability that the related asset or liability will crystallise.

Stock

Stock is valued at the lower of cost at acquisition and net realisable value.

Client Bank Balances

Amounts held for clients are accounted for through separately designated client bank accounts, which do not form part of the Company's funds.

Henderson Touche Remnant Unit Trust Management Limited

NOTES TO THE ACCOUNTS at 31 March 1996

2. REVENUE

Revenue, which is stated net of value added tax, arises from;

- (a) Initial charge on units sold. This is calculated as a percentage of the value of units sold and revenue from this source will therefore vary with the value of new units sold.
- (b) Dealing in units. Managers meet investors' requirements for the purchase or sale of units not only by creation and liquidation of units but also by dealing as principal.
- (c) Management fee charges to the unit trusts in relation to the value of funds under management.

Revenue is attributable to one continuing activity.

Revenue comprises the following:	1996 £'000	1995 £'000
Gross sales of units	233,035	254,872
Management fees and charges	17,172	18,700
Commission & other income	855	2,657
	<hr/> 251,062	<hr/> 276,229
Less cost of sales:		
New units created and repurchased less proceeds of units liquidated	224,243	245,792
Discounts and commission	6,629	7,221
	<hr/> 230,872	<hr/> 253,013
Net Revenue	<hr/> <hr/> 20,190	<hr/> <hr/> 23,216

Management fees in the current year include certain amounts which were previously disclosed under other operating revenue. The comparative figures have been restated accordingly.

Henderson Touche Remnant Unit Trust Management Limited

NOTES TO THE ACCOUNTS at 31 March 1996

3. OPERATING PROFIT

This is stated after charging:	1996 £'000	1995 £'000
Depreciation of tangible fixed assets	-	9
Auditors' remuneration - audit services	29	34
Management charges from fellow subsidiary	7,030	13,315
	=====	=====

Employees' contracts of employment are with Henderson Administration Limited, a fellow subsidiary, and their remuneration is included in that company's accounts. The management charge from fellow subsidiaries includes the cost of these employees, but it is not practicable to ascertain this element of the charge separately.

The directors of the Company also have employment contracts with Henderson Administration Limited. Their remuneration together with all of the other employees of Henderson Administration Limited is disclosed in that company's accounts. It is not practicable to identify separately that part of the management charge from group companies which relates to their services as directors of Henderson Touche Remnant Unit Trust Limited.

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1996 £'000	1995 £'000
Based on the profit for the year:		
UK Corporation tax at 33% (1995 - 33%)	3,860	2,242
Taxation credits attributable to dividends received	365	361
Deferred taxation (note 7)	2	18
Corporation tax over provided in previous years	-	(34)
	4,227	2,587
	=====	=====

5. DIVIDENDS

	1996 £'000	1995 £'000
Dividends on ordinary shares:		
Equity - Interim paid	1,500	3,100
Final proposed	5,400	2,500
	6,900	5,600
	=====	=====

Henderson Touche Remnant Unit Trust Management Limited

NOTES TO THE ACCOUNTS at 31 March 1996

6. DEBTORS

	1996 £'000	1995 £'000
Trade debtors:		
- unit trust trustees for liquidated units	3,105	3,878
- debtors for unit sales	10,466	4,306
Amounts owed by group companies	19,462	17
Advance corporation tax recoverable	1,350	625
Other debtors	16	153
Deferred tax (note 7)	8	10
Prepayments and accrued income	277	693
	<u>34,684</u>	<u>9,682</u>

7. DEFERRED TAXATION

Deferred tax has been provided in the accounts at the appropriate rates, as follows:

	1996 £'000	1995 £'000
Tax effect of timing differences due to:		
Excess of capital allowances over depreciation	8	10
	<u>8</u>	<u>10</u>

The movement on deferred taxation is as follows:

As at 1 April 1995	10	28
Transfer to profit and loss account	(2)	(18)
As at 31 March 1996	<u>8</u>	<u>10</u>

Henderson Touche Remnant Unit Trust Management Limited

NOTES TO THE ACCOUNTS at 31 March 1996

8. CREDITORS: amounts falling due within one year

	1996 £'000	1995 £'000
Trade creditors		
- unit trust trustees for units created	6,198	1,794
- creditors for units repurchased	11,528	9,849
Amount owed to group companies	8,500	38,799
Corporation tax	3,345	1,540
Advance corporation tax	1,350	625
Other creditors	-	15
Accruals and deferred income	376	674
Dividend payable	5,400	2,500
	<u>36,697</u>	<u>55,796</u>

Amounts owed to group companies include a subordinated loan of £4.0m payable to the parent company. The loan bears no interest and is repayable at any time providing the Company obtains prior written consent from the Investment Management Regulatory Organisation.

9. SHARE CAPITAL

	1996 £'000	1995 £'000
Authorised:		
5,000,000 ordinary shares of £1 each	5,000	5,000
	<u>=====</u>	<u>=====</u>
Allotted, called up and fully paid:		
1,000,000 ordinary shares of £1 each	1,000	1,000
	<u>=====</u>	<u>=====</u>

NOTES TO THE ACCOUNTS
at 31 March 1996

**10. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT
ON RESERVES**

	Share capital	Profit and loss account	Total share- holder funds
	£'000	£'000	£'000
At 1 April 1995	1,000	2,800	3,800
Retained for year	-	2,387	2,387
At 31 March 1996	<u>1,000</u> =====	<u>5,187</u> =====	<u>6,187</u> =====

11. COMMITMENTS

The Company, in conjunction with fellow subsidiaries and the ultimate holding company, has jointly and severally guaranteed all obligations to its bankers by way of an unlimited inter-company composite guarantee. This agreement forms part of the Group's banking arrangements.

12. ULTIMATE HOLDING COMPANY

The ultimate holding company is Henderson Administration Group plc, a body corporate registered in England and Wales. Copies of the consolidated accounts may be obtained from The Secretary, Henderson Administration Group plc, 3 Finsbury Avenue, London, EC2M 2PA.

13. CASHFLOW STATEMENT

The Company is a wholly owned subsidiary of Henderson Administration Group plc and the cashflows of the Company are included in the consolidated group cashflow statement of Henderson Administration Group plc. Consequently the Company is exempt under the terms of Financial Reporting Standard No.1, from publishing a cashflow statement.