

# **JUPITER SPLIT TRUST PLC**

## **INITIAL ACCOUNTS**

**For the period ended 31st December 1996**



# JUPITER SPLIT TRUST PLC

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# JUPITER SPLIT TRUST PLC

## COMPANY INFORMATION

### DIRECTORS

G Howard-Spink *Chairman*

J L Duffield

M F Heathcoat Amory

P C A de Blonay

Sir R E B Lloyd, Bt

### MANAGER, SECRETARY AND REGISTERED OFFICE

Jupiter Asset Management Limited,  
Knightsbridge House, 197 Knightsbridge, London SW7 1RB  
*Telephone:* 0171 412 0703      *Facsimile:* 0171 581 3857  
Regulated by IMRO

### BANKERS AND CUSTODIANS

The Royal Bank of Scotland PLC,  
5-10 Great Tower Street, London EC3P 3HX  
Regulated by IMRO, SFA and the Personal Investment Authority

### REGISTRARS

The Royal Bank of Scotland PLC, Registrars Department, PO Box 82,  
Caxton House, Redcliffe Way, Bristol BS99 7NH

### SOLICITORS

Nabarro Nathanson, 50 Stratton Street, London W1X 6NX

### AUDITORS

Ernst & Young, Rolls House, 7 Rolls Buildings, Fetter Lane,  
London EC4A 1NH

All classes of shares of the company and the packaged units are listed on the London Stock Exchange and their prices are shown in the Financial Times under "Split Capital Investment Trusts".

Company Registration Number 3123443

**JUPITER SPLIT TRUST PLC**

**TWENTY LARGEST INVESTMENTS**

**at 31st December 1996**

<b>Company</b>	<b>Market Value £000s</b>
London Clubs International	11,285
Tesco	8,260
Airtours 6.375p Convertible	4,606
Royal & Sun Alliance	4,245
Capital Corp	4,096
Capital Shopping Centres 6.25% Convertible	4,015
Man (ED&F)	3,791
Inspec Group	3,501
Lloyds TSB	3,444
Safeway	3,434
Christiania Bank	3,415
Railtrack Group – partly paid	3,294
Amey	3,049
Prudential Corp	2,949
Airtours	2,884
Somerfield	2,831
Invesco	2,808
IBC Group	2,602
Fokus Bank A/S	2,592
BAT Industries	2,568
	<hr/>
42.0% total assets	79,669
	=====

## **JUPITER SPLIT TRUST PLC**

### **DIRECTORS' RESPONSIBILITIES FOR THE INITIAL ACCOUNTS**

Section 270(4) of the Companies Act 1985 requires the Directors to prepare initial accounts, which have been prepared within the meaning of Section 273 of the Companies Act 1985 when a distribution is proposed to be declared during the Company's first accounting reference period.

In preparing initial accounts, the directors are required to:

- (i) select suitable accounting policies and then apply them consistently;
- (ii) make judgements and estimates that are reasonable and prudent;
- (iii) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- (iv) prepare the accounts on a 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 enable them to ensure that the accounts 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.

### **DIRECTORS SERVING DURING THE PERIOD**

Director	Date of Appointment	Date of Resignation
P C A de Blonay	22.11.95	
P A Butt	16.11.95	21.11.95
J L Duffield	02.11.95	
M F Heathcoat Amory	02.11.95	
G Howard-Spink	22.11.95	
Sir Richard Lloyd, Bt	22.11.95	

**JUPITER SPLIT TRUST PLC**  
**REPORT OF THE AUDITORS**

To the members of Jupiter Split Trust PLC under Section 273(4) of the Companies Act 1985.

We have audited the initial accounts on pages 5 to 12 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and on the basis of the accounting policies set out on pages 7 and 8.

**Respective responsibilities of Directors and Auditors**

As described on page 3, the Company's Directors are responsible for the preparation of the initial accounts. It is our responsibility to form an independent opinion, based on our audit, on those initial 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 initial accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the initial 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 initial 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 initial accounts.

**Opinion**

In our opinion the initial accounts for the period from 2nd November 1995 to 31st December 1996 have been properly prepared within the meaning of Section 273 of the Companies Act 1985.



Ernst & Young  
Chartered Accountants  
Registered Auditor  
London

27th March 1997

**JUPITER SPLIT TRUST PLC**  
**REVENUE ACCOUNT**  
**for the period ended 31st December 1996**

	Note	£
<b>INCOME FROM FIXED ASSET INVESTMENTS</b>		
Income from listed investments		5,592,971
Income from subsidiary undertakings		4,891,048
		<hr/> 10,484,019
<b>OTHER INTEREST RECEIVABLE AND SIMILAR INCOME</b>		
Bank interest		345,452
Underwriting commission and other income		101,218
		<hr/> 446,670
<b>GROSS REVENUE</b>		10,930,689
Management expenses	1(b)	(752,730)
Interest payable		(295,625)
<b>NET REVENUE ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<hr/> 9,882,334
Taxation on ordinary activities	2	(2,246,415)
<b>NET REVENUE ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<hr/> 7,635,919
Annuity shares' dividends	3	(2,890,551)
Revenue attributable to Income shareholders		<hr/> 4,745,368
Income shares' dividends	3	(3,593,627)
<b>RETAINED REVENUE FOR THE PERIOD</b>	12	<hr/> 1,151,741 =====
 Earnings per Income share	 4	 <u>9.56p</u>

The Company was incorporated on 2nd November 1995 and its shares were listed on the London Stock Exchange on 3rd January 1996, on which date it commenced business. Consequently, the Revenue Account above reflects the results from 3rd January 1996 to 31st December 1996.

The notes on pages 7 to 12 form part of these accounts.

## BALANCE SHEET

at 31st December 1996

The accounts were approved by the Board of Directors on 27th March 1997.

signed on behalf of  
the Board of Directors

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## JUPITER SPLIT TRUST PLC

### NOTES TO THE ACCOUNTS for the period ended 31st December 1996

#### 1. ACCOUNTING POLICIES

The accounts have been prepared in accordance with applicable Accounting Standards in the United Kingdom. The particular accounting policies adopted by the directors are described below. The accounts have been prepared in accordance with the historical cost convention except as described in Note 1(d).

- (a) *Revenue:* Dividends on investments are included in revenue when the investment price is quoted ex-dividend. Interest on deposits is dealt with on an accruals basis.
- (b) *Expenses:* Expenses are accounted for or on an accruals basis. Management fees are charged half to the revenue account and half to the capital reserve. Investment performance fees are charged wholly to the capital reserve. Any taxation credit associated with the expenses charged to the capital reserve is credited to the capital reserve. Administration and other expenses are charged fully to the revenue account.
- (c) *The Zero Dividend Preference shares and Income shares:* These shares have a pre-determined growth in capital entitlements and hence the finance cost attributable to these instruments is treated as a capital item.
- (d) *Valuation of Investments:* Listed fixed asset investments are stated at mid-market value and unlisted fixed asset investments are stated at Directors' valuation. The net unrealised revaluation between market value or Directors' valuation and cost is taken to the capital reserve.
- (e) *Taxation*
  - i) Advance corporation tax payable on dividends paid or provided for in the period is written off, except when recoverability either against corporation tax payable or because of receipts of franked investment income, is considered to be reasonably assured.
  - ii) Withholding tax deducted from income received is treated as part of the taxation charge against income.
  - iii) Deferred taxation is provided on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.
- (f) *Foreign Currency:*
  - i) Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date.
  - ii) Foreign currency transactions are translated at the rates of exchange applicable at the transaction date.
  - iii) Foreign currency differences are dealt with in the capital reserve.

# JUPITER SPLIT TRUST PLC

## NOTES TO THE ACCOUNTS contd.

- (g) *Capital Reserve:* The following are accounted for in this reserve:
- gains and losses on the realisation of investments
  - expenses charged to capital together with related taxation effect and VAT
  - foreign exchange gains and losses
  - unrealised gains and losses on investments
- The capital reserve is not available for the payment of dividends.

2.	<b>TAXATION</b>	£
	Tax attributable to franked investment income	1,889,021
	Section 242 Claim	(282,442)
	Overseas tax	77,743
	Group relief	(31,685)
	Tax relief on expenses charged to capital	569,908
	Deferred taxation	23,870
		<hr/> 2,246,415 <hr/>

3. **DIVIDENDS**  
The accounts include the following dividends:

Annuity dividends of 6.6p net per Annuity share paid on 31st March 1996 and 30th September 1996, and an accrual for three months Annuity dividend to 31st December 1996.

First interim Income dividend of 3.62p net per Income share paid on 31st July 1996 and an accrual for the second interim Income dividend of 3.62p net payable on 31st January 1997.

4. **EARNINGS PER INCOME SHARE**  
Earnings per Income share is calculated on 49,635,727 Income shares in issue which represents the number of shares in issue throughout the period from the first day of dealing in the Company's shares, and net revenue attributable to these shares of £4,754,368.

5. **FIXED ASSET INVESTMENTS**

(i)	Portfolio investments	£
	Additions at cost	421,567,685
	Disposals at cost	252,391,241
		<hr/>
	Book cost at end of period	169,176,444
	Unrealised appreciation	9,823,180
		<hr/>
	Market value at end of period	178,999,624 <hr/>

# JUPITER SPLIT TRUST PLC

## NOTES TO THE ACCOUNTS contd.

### FIXED ASSET INVESTMENTS CONTD.

Investments listed in the UK	162,521,178
Investments listed overseas	13,553,896
Unlisted investments	2,924,550
	<hr/>
	178,999,624
	<hr/>

- (ii) The Company owns the whole of the share capital of the following subsidiary companies registered in England and Wales:

JST Securities Limited  
Quest Securities Limited  
Rowansound Limited

JST Securities Limited and Quest Securities Limited are investment dealing companies. Rowansound Limited is dormant. Interest in subsidiary undertakings is stated at cost of £15,971 in the balance sheet.

- (iii) In addition, the Company owned 83.2% of the voting rights of The River Plate & General Investment Trust PLC during the period up to 31st October when it was placed into liquidation. The Company received its share of a distribution of assets in November.

### 6. DEBTORS

	£
Trade debtors	1,086,946
Dividends receivable	787,972
Prepayments & accrued interest	198,034
Other debtors	715,489
Due from subsidiary undertakings	85,571
Taxation	554,067
	<hr/>
	3,428,079
	<hr/>

### 7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Income shares dividend accrual	1,796,814
Annuity shares dividend accrual	578,110
Other creditors and accruals	3,257,091
Trade creditors	2,570,327
Advance corporation tax	14,467
	<hr/>
	8,216,809
	<hr/>

# JUPITER SPLIT TRUST PLC

## NOTES TO THE ACCOUNTS contd.

### 8. PROVISIONS FOR LIABILITIES AND CHARGES

	£
Deferred taxation provided on timing differences	23,870
ACT recoverable	(14,467)
Deferred taxation carried forward	<u>9,403</u>

### 9. NET ASSET VALUE

The net asset value per Capital share has been calculated on 35,036,984 Capital shares in issue and net assets attributable to Capital shareholders of £92,346,589 calculated on the basis of shareholders' rights to reserves as specified in the Articles of Association should the company have been wound up on 31st December 1996.

### 10. CALLED-UP SHARE CAPITAL

	£
<i>Authorised:</i>	
25,200,000 Annuity shares of 0.01p each	2,520
105,000,000 Zero Dividend shares of 0.01p each	10,500
71,400,000 Income shares of 5p each	3,570,000
50,400,000 Capital shares of 5p each	2,520,000
	<u>6,103,020</u>
<i>Issued called up and fully paid</i>	£
17,518,492 Annuity shares of 0.01p each	1,752
72,993,717 Zero Dividend shares of 0.01p each	7,299
49,635,727 Income shares of 5p each	2,481,786
35,036,984 Capital shares of 5p each	1,751,849
	<u>4,242,686</u>

The authorised share capital upon incorporation was £50,000 divided into 50,000 Ordinary shares of £1 each of which one Ordinary share was issued fully paid to the subscribers.

By a resolution passed on the 16th November 1995 each of the original 50,000 Ordinary shares of £1 was sub-divided into 20 shares of 5p each.

By resolutions passed on 22nd November 1995 the authorised share capital of the Company was increased from £50,000 to £6,103,020 by the creation of 25,200,000 Annuity shares of 0.01p each, 105,000,000 Zero Dividend shares of 0.01p each, 71,400,000 Income shares of 5p each and 49,400,000 Capital shares of 5p each.

## JUPITER SPLIT TRUST PLC

### NOTES TO THE ACCOUNTS contd.

#### 10. CALLED-UP SHARE CAPITAL CONTD.

On 16th November 1995 20 Ordinary shares were issued to UBS and 20 Ordinary shares to UBS Securities Nominees Limited. 999,960 Ordinary shares were allotted to UBS Limited against an irrevocable undertaking in relation to the proposed placing. These shares (1,000,000 in total) were reclassified as Capital shares on 22nd November and were included in the placing.

On 2nd January 1996 as a result of the placing, public unit offer and the offer for The River Plate & General Investment Trust PLC, a total of 17,518,492 Annuity shares, 72,993,717 Zero Dividend shares, 49,635,727 Income shares and 35,036,984 Capital shares were issued at £1 each for a total consideration of £175,184,920 made up of both cash and shares in the River Plate & General Investment Trust PLC.

Each Annuity share carries the right to an annual cumulative net dividend equal to 13.2p. On a return of capital, the holders of Annuity shares are entitled to 0.01p per share held.

Each Zero Dividend share carries no right to income. On a return of capital, the holders of Zero Dividend shares have an initial capital entitlement per share of 100p, increasing at a rate of 0.71961368 per cent per month commencing on 1st January 1996 to reach a maximum of 213.8402438p at the wind-up date of 31st October 2004.

Income shareholders are entitled to the net distributable income of the Company, after satisfying the prior entitlements of the Annuity and Zero Dividend shares. On a return of capital, Income shareholders would receive an amount equal to 25p per Income share increased by 0.707547169p per share on the 31st January 1996 and on the last day of each month up to and including the wind-up date.

Each Capital share carries no right to income. On a return of capital, Capital shareholders will be entitled to all the Company's surplus assets after satisfying the entitlements of all other classes of shares.

#### 11. SHARE PREMIUM ACCOUNT

	£
Premium on shares issued during the period	170,942,233
Issue expenses	(6,964,405)
At end of period	<u>163,977,828</u>

## JUPITER SPLIT TRUST PLC

### NOTES TO THE ACCOUNTS contd.

#### 12. CAPITAL RESERVE

	£
Realised gains on investments sold	13,393,874
Unrealised appreciation of portfolio investments	9,823,180
Management expenses charged to capital	(414,734)
Investment performance bonus accrual	(2,972,217)
Tax relief on expenses charged to capital	569,908
Expenses of scheme for wind-up of subsidiary	(96,350)
At end of period	<u>20,303,661</u>

#### 13. REVENUE RESERVE

	£
Retained revenue for period	<u>1,151,741</u>

#### 14. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

There were contingent liabilities in respect of investments not fully called up of £1,615,000 and in respect of underwriting of £620,000, at 31st December 1996.