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JUPITER SPLIT TRUST PLC



REPORT AND ACCOUNTS
For the period ended 31st December 1996

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INVESTMENT POLICY

*The objective of the Company
is to provide a high and rising
income and capital growth from a
quality portfolio predominantly comprising
UK equities and equity related securities*

Registered Office
Knightsbridge House, 197 Knightsbridge, London SW7 1RB
Company No 3123443

COMPANY INFORMATION

DIRECTORS

G Howard-Spink *Chairman*

P C A de Blonay

J L Duffield

M F Heathcoat Amory

Sir Richard 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"

DIRECTORS

*Geoffrey Howard-Spink, aged 52, was one of the founders in 1981 and is a director of Lowe Group Limited, one of the UK's biggest advertising groups. He is also a director of Taiwan Investment Trust PLC and other companies.

*Pierre C A de Blonay, Swiss aged 60, is an independent financial consultant advising institutions and private clients. He was previously a managing director of Kidder, Peabody where he was responsible for its Swiss brokerage and asset management operation. He is a director of a number of investment trusts and other financial companies.

John L Duffield, aged 57, is Chief Executive of Jupiter International Group PLC and a director of a number of investment trusts and other companies.

Michael F Heathcoat Amory, aged 55, is joint Deputy Chief Executive of Jupiter International Group PLC. He is Chairman of Jupiter International Green Investment Trust PLC and a director of a number of other investment trusts and various financial and industrial companies.

*Sir Richard E B Lloyd, Bt., aged 68, is Chairman of Vickers PLC and Chairman of Argos PLC. He is also a director of Siebe plc, Simon Engineering plc and Korea Liberalisation Fund Limited.

*Members of the Audit Committee

FINANCIAL HIGHLIGHTS

CAPITAL

	31.12.96	03.01.96	% Change
Total Assets £'000	189,739	168,221*	+12.8
FT-SE Actuaries All-Share Index	2,013.66	1,803.78	+11.6

*after expenses of issue

REVENUE

	Period to 31.12.96
Revenue after taxation £'000	8,257
Return per Income share	9.14p
Net Dividend per Income share	7.24p

SHARE PERFORMANCE

	Net Asset Value*			Market Price		
	31.12.96	03.01.96	% Change	31.12.96	03.01.96	% Change
Zero Dividend						
Preference	109.0	100.0	+ 9.0	116½	105½	+10.2
Income	35.8	25.0	+43.2	94½	99½	- 5.0
Capital	263.7	236.4	+11.5	59½	87	-31.6
Packaged Unit	6,498.5	5,761.5	+12.8	5,550	5,900	- 5.9

*Calculated in accordance with the Articles of Association

INCOME SHARE DIVIDENDS

	Rate p net	Announcement Date	XD Date	Payment Date
Interim	3.62	18th June 1996	24th June 1996	31st July 1996
Second Interim	3.62	17th December 1996	23rd December 1996	31st January 1997

CHAIRMAN'S STATEMENT

The Group's total assets rose by 12.8% to £189.7 million over the period since listing on 3rd January 1996 to 31st December 1996. This compares with a rise in the FTSE Actuaries All Share Index of 11.6% over the same period.

Gross revenue for the period under review was £12.7 million. Two interim dividends of 3.62p net per Income share have already been declared and paid. In the absence of unforeseen circumstances, your directors would expect to pay not less than 7.24p net per Income share for the current year. £943,000 has been transferred to the Revenue Reserve.

As reported at the interim stage this is a creditable performance considering the magnitude of dealing expenses experienced in the Company's first year. Latterly, the Company's subsidiary, River Plate & General Investment Trust, was liquidated on 31st October 1996. Although the winding up proposals for River Plate mitigated a lot of the expenses of a straight forward liquidation, there was, of course, a degree of cost that, by extrapolation, was experienced by Jupiter Split Trust.

Thus, despite the cost of the original launch and the eventual wind up of River Plate, the capital performance has been more than satisfactory.

The characteristics of each share class are described on pages 7 and 8 of this report. It is worth highlighting two items, however. The hurdle rate for the Income shares at 31st December 1996 was 1.0% per annum; that is to say that the total assets have to grow by only 1.0% per annum in order to pay the Income shares their entitlement on wind up. This compares with a hurdle rate of 2.5% per annum at the time of the launch. At 28th February 1997 the repayment entitlement of the Income shares was fully covered.

The hurdle rate required for the Capital shares to get 100p on wind up was 3.2% per annum at 31st December 1996 and compares to 4.1% at launch. It is disappointing, therefore, that despite an improvement in the assets, the Capital share price has fallen. Your directors believe that this weakness is due, in part, to the weakness exhibited by the majority of capital shares since the announcement of the Company's launch. At 28th February 1997 the hurdle rate had been further reduced to 1.9% per annum.

The year to 31st December 1996 was another good one for the UK equity market. There was an outperformance by smaller companies in the first half of the year, which was reversed in the second half as bigger companies led the market.

Growth in the economy steadily improved during the course of 1996, despite the moderate rise in interest rates and the marked improvement in the level of sterling, particularly against the countries of continental Europe. Fears of a rise in inflation proved unfounded leading to an unusually benign economic and business background.

In the first two months of 1997, the FTSE Actuaries All-Share index has risen a further 4.7%. The economic outlook continues to be favourable with the prospect of further good growth, which should be reflected in corporate profits and dividend payments. There are, of course, uncertainties ahead; a General Election has been called for 1st May, there are uncertainties over the single currency and markets have had a long bull run. However, despite a correction in Wall Street and London, the medium term outlook for equities remains positive.

The relatively low portfolio yield should help your Company continue to perform well in the future and, if so, the prospects for dividend growth and for a highly geared capital share should be good.

Geoffrey Howard-Spink
9th April 1997

CAPITAL STRUCTURE

ANNUITY SHARES

IN ISSUE: 17,518,492

31st December 1996. Net Asset Value* 0.01p per share. Price 84p per share.

Each Annuity share carries the right to an annual cumulative dividend equal to 13.2p (net). The dividend will be payable half-yearly on 31st March and 30th September in each year in equal instalments. On a return of capital, the holders of Annuity shares are entitled to 0.01p per share held. Holders of Annuity shares will not be entitled to vote at general meetings of the Company.

ZERO DIVIDEND PREFERENCE SHARES

IN ISSUE: 72,993,717

31st December 1996 Net Asset Value* 109.0p per share. Price 116.25p per share.

The Zero Dividend Preference shares are designed to offer the shareholder a predetermined rate of capital growth. These shares are not entitled to income.

A Zero Dividend Preference shareholder had an initial capital entitlement of 100p per share at 3rd January 1996. This entitlement increases on the last day of each month at an approximate annual rate of 9.0 per cent, compounded on 31st December each year to the Winding up date of 31st October 2004 by which time the entitlement will amount to 213.84p. At 31st December 1996 this entitlement had increased to 108.9855p per share.

The repayment entitlement of 213.84p at the Winding up Date was 1.2 times covered at 31st December 1996 and the Gross Redemption Yield, the annualised return, was 8.1% per annum. The Zero Dividend shares will not be entitled to vote at general meetings of the Company.

INCOME SHARES

IN ISSUE: 49,635,727

31st December 1996: Net Asset Value* 35.8p per share. Price 94.5p per share.

The Income shares are designed to provide holders with a high initial dividend yield that will increase over the life of the Company, together with a predetermined level of capital repayment at the Winding up Date.

Income shareholders are entitled to receive the whole of the net distributable income of the Company, after satisfying the prior entitlement of the Annuity shares, until the Winding up Date. Thus any growth in the Company's net revenue will accrue to the Income shareholders.

An Income shareholder had a net asset value of 25p per share at 3rd January 1996. This entitlement had increased by 31st December 1996 to 33.4906p per share, and on the last day of each subsequent month will further increase by 0.7075p per month per share up to and including the Winding up Date of 31st October 2004 by which time each Income shareholder will be entitled to 100p.

Income shareholders will have a right to vote at general meetings of the Company and will, on a poll, be entitled in aggregate to the same number of votes as that to which holders of Capital shares are entitled at such meetings.

In order for the repayment entitlement of Income shares to be fully covered by the Wind up Date, the total assets would have to grow by 1.0% per annum.

CAPITAL STRUCTURE

continued

CAPITAL SHARES

IN ISSUE: 35,036,984

31st December 1996: Net Asset Value* 263.7p per share. Price 59½p per share.

The Capital shares are designed to give holders the benefit arising from the growth in the Company's total assets to the Winding up date. They do not participate in any dividend or in the Company's revenue reserve.

Capital shareholders are entitled to all the Company's surplus assets after satisfying the entitlements of all other class shares. Thus any growth in the Company's total assets (in excess of that required to meet the predetermined increases in the capital entitlements of the other classes of shares) will accrue to the Capital shareholders.

Capital shareholders will have the right to vote at general meetings of the Company and will, on a poll, be entitled in aggregate to the same number of votes as that to which holders of Income shares are entitled at such meetings.

If the total assets of the Company remained unchanged from 31st December 1996 to the Winding up Date, the Capital shares entitlement would be nil. In order for the Capital share to be repaid at the current share price of 59½p, the total assets would have to grow by 2.3% per annum to the Winding up Date.

WINDING UP

The Articles of Association allow for the Company to be wound up on or after 31st October 2004.

The limited life of the Company is designed to ensure that all shareholders can realise the underlying net asset value of their shares.

*Net asset values calculated in accordance with the Articles of Association.

MANAGER'S REVIEW

During 1996 inflation remained subdued and economic growth was satisfactory. Many people, including the Bank of England, were surprised that the strong growth of 1995 did not produce inflation of a higher magnitude. The monetary authorities remain concerned about inflation and responded by increasing interest rates in the second half of the year. This, plus recognition that the UK has become a competitive and robust modern economy, caused sterling to strengthen significantly towards the end of 1996.

The stockmarket in the UK had a good year, the FTSE Actuaries All-Share rising by 11.6%. Company profit growth remained strong and, importantly, the inflation that was feared by many pessimists has not materialised. This has formed a good backdrop to the UK and also a number of other stockmarkets. During the first half of 1996, small companies (where your Company is overweight) outperformed the FTSE 100 Index by almost 10%. This gain was reversed in the second half of the year as a number of smaller companies issued profit warnings. Additionally, sectors such as banks and oil, which are dominated by large companies, outperformed significantly.

Your Company was fully invested almost immediately after it was launched. The portfolio is overweight in small companies. Small companies are preferred as there are greater chances of mis-valuation; and your managers are more able to meet managements and understand their strategies.

Your Company has large positions in the service sector and is under represented in the manufacturing sector. This is due to the belief that as the economy grows, the service sector will continue to grow in importance. Also that the earnings derived from service companies are more predictable than those of manufacturing companies. Additionally, companies in the service sector are more able to exploit the improving efficiency of information technology than companies operating in the manufacturing sector, where information technology often serves to shorten product cycles.

Your Company is overweight in sectors where it is believed that long term growth prospects are good or insufficiently recognised. There are substantial holdings in the leisure sector via positions in casino companies (London Clubs and Capital Corporation) and the travel business (Airtours). Your Company is overweight in investment management companies where the long term dynamics of the savings market should ensure good growth. A number of companies where your Company has large positions performed well. Notable were London Clubs, Airtours and Lloyds TSB. The significant weightings in small companies proved beneficial in the first six months but less helpful in the second half. At the year end the Company had 27% of its UK investments in FTSE 100 companies, 37% in Mid 250 companies and 36% in small companies. The top ten holdings accounted for 27% of the Company.

The long term outlook for the UK economy is good. It is believed that inflation will be lower than the market expects and that economic growth will continue to be robust. It is likely, however, that there will continue to be numerous profit disappointments and that these are likely to counter the good news that can be expected on the inflation front.

It seems probable that modern economies can sustain faster growth without causing inflation than would have occurred in previous decades. The mechanics of modern economies may be different from previous times. The main factor causing sustainable lower levels of inflation is the increased efficiency of information technology. It is now much easier to manage modern companies in terms of gaining information. Cost bases are being continually reduced and efficiencies continue to be made. Companies are able to produce more and more goods at lower and lower prices. There are other reasons for expecting inflation to remain low. The

MANAGER'S REVIEW

continued

increased globalisation of markets, both in the service and production sectors, has helped to keep prices down. If a company were to raise prices, it is getting more likely that an overseas rival would undercut. Supply side reforms of the 1980s have also helped to keep inflation under control. The U.K. is now an efficient and robust country. Generally speaking, inflation thrives in weak and inefficient countries.

The change in information technology should therefore lead to a period of faster growth than has previously been experienced. Information technology has played a significant role in the increase in merger activity in recent years making it easier to consummate mergers and acquisitions. It is now often much easier than before to merge two companies together. There are also likely to be greater levels of savings from mergers than before. Of this extra value created, some can go in lower prices (i.e. low inflation) and some goes to shareholders (rising stockmarkets). We anticipate that the current merger boom will continue which will be helpful to stockmarkets.

CLASSIFICATION OF INVESTMENTS

1996 %		UK %	Far East %	North America %	Europe %
	EQUITIES				
0.1	Mineral Extraction				
0.1	Oil Exploration & Production	0.1			
10.2	General Manufacturers				
1.2	Building Materials	1.2			
2.3	Building & Construction	2.3			
0.2	Electricals, Electronics	0.2			
1.6	Engineering	1.6			
0.4	Engineering, Vehicles	0.4			
1.1	Printing, Paper & Packaging Textile & Apparel	1.0		0.1	
2.5	Chemicals	2.5			
0.9	Diversified Industrials	0.9			
5.9	Consumer Goods				
0.9	Spirit, Wines & Ciders	0.9			
0.3	Household Goods	0.3			
2.8	Health Care	2.8			
1.9	Tobacco	1.9			
29.1	Services				
1.2	Distributions	1.2			
10.4	Leisure & Hotels	9.8	0.6		
3.5	Media	3.5			
7.6	Retailers, Food	7.6			
2.5	Retailers, General	2.5			
1.8	Support Services	1.8			
2.1	Transport	1.9			0.2
3.5	Utilities				
0.9	Electricity	0.9			
0.2	Telecommunications	0.2			
1.2	Water	1.2			
1.2	Unclassified	1.2			
25.4	Financial Group				
9.5	Banks	3.3			6.2
4.6	Insurance	4.6			
1.7	Life Assurance	1.6			0.1
1.1	Merchant Banks	1.1			
1.4	Property	1.4			
7.1	Other Financials	7.1			
6.0	Investment & Unit Trusts	2.7	1.6	0.5	1.2
80.2	Total UK Equities	69.7	2.2	0.6	7.7
1.5	Preference	1.5			
10.0	Convertibles	9.9	0.1		
8.3	Currency Funds	8.3			
100	1996 Totals	89.4	2.3	0.6	7.7

JUPITER SPLIT TRUST PLC

TWENTY LARGEST INVESTMENTS

at 31st December 1996

Company	Market Value £000s
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
42.0% of total assets	<u>79,669</u>

JUPITER SPLIT TRUST PLC

REPORT OF THE DIRECTORS

The Directors present their Report and Accounts for the period ended 31st December 1996.

STATUS AND ACTIVITIES

The Company carried on the business of an investment trust and has directed its affairs since launch so as to enable it to seek approval by the Inland Revenue as an investment trust under Section 842 of the Income and Corporation Taxes Act 1988 for the period ended 31st December 1996 and subsequently. In the opinion of the Directors, the Company is not a close company as defined by the Income and Corporation Taxes Act 1988.

The Company has three wholly owned subsidiaries at the year end, JST Securities Limited and Quest Securities Limited are investment dealing companies and Rowansound Limited is dormant.

A further subsidiary, The River Plate & General Investment Trust PLC, was liquidated on 31st October 1996.

Reviews of the Company's activities are included in the Chairman's Statement on page 6 and Manager's Review on pages 9 to 10.

RESULTS AND DIVIDENDS

Results and reserve movements for the period are set out in the Consolidated Statement of Total Return and the Notes to the Accounts.

During the period Annuity dividends totalling 13.2p net were paid to Annuity shareholders. An interim Income dividend of 3.62p net was paid to Income shareholders on 31st July 1996 and a second interim of 3.62p net was paid on 31st January 1997. The directors do not recommend the payment of a final dividend.

CAPITAL GAINS TAX INFORMATION

The prices of the Annuity shares, Zero Dividend Preference shares, Income shares and Capital shares on the first day of dealing for Capital Gains Tax purposes were:

At 3rd January 1996:

Annuity shares	101p
Zero Dividend Preference shares	105.5p
Income shares	99.5p
Capital shares	87p
Packaged Unit	5,900p

PERSONAL EQUITY PLANS

The affairs of the Company have been conducted in such way as to comply with the qualifying equity rule as defined in the Personal Equity Plan Regulations. It is the current intention of the directors that the Company will continue to conduct its affairs to satisfy this requirement.

REPORT OF THE DIRECTORS

continued

DIRECTORS AND DIRECTORS' INTERESTS

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 E B Lloyd, Bt	22.11.95	

The directors' beneficial interests in Capital shares at 31st December 1996 are shown below:

	Capital shares
P C A de Blonay	—
J L Duffield	15,000
M F Heathcoat Amory	19,260
G Howard-Spink	15,000
Sir Richard E B Lloyd, Bt	4,600

No directors had an interest in the Annuity shares, Zero Dividend Preference shares or Income shares and the Company has not been advised of any changes in the directors' interests between 31st December 1996 and the date of this report.

SUBSTANTIAL SHAREHOLDINGS

The Company has been notified of the following substantial voting interests in the Income shares and Capital shares as at the date of this report.

	Income shares	%	Capital shares	%
Discretionary clients of Jupiter Asset Management	—	—	10,151,100	28.97
Jupiter International Group PLC	—	—	9,209,345	26.28
Dartmoor Investment Trust	5,500,000	11.08	—	—
Exeter Fund Management	4,950,000	9.97	—	—
Abtrust High Income Trust	4,750,000	9.57	—	—
Sun Life Assurance Society	—	—	2,409,288	6.88
Citicorp clients	3,200,000	6.45	—	—
Exeter Preferred Capital Investment Trust	3,000,000	6.04	—	—
Abtrust UK General	—	—	1,674,456	4.78
Commercial Union Life Assurance	—	—	1,305,819	3.73
The Equitable Life Assurance	2,122,500	4.28	1,088,229	3.11
New City & Commercial Trust PLC	1,683,015	3.39	—	—

STATEMENT OF RECOMMENDED PRACTICE

The Company has adopted the recommendations of the recently published Statement of Recommended Practice "Financial Statements of Investment Trust Companies". Accordingly, a Statement of Total Return is included in these accounts as the first primary statement, which shows returns from both revenue and capital in one statement.

REPORT OF THE DIRECTORS

continued

DIRECTORS AND OFFICERS LIABILITY INSURANCE

During the period the Company purchased and maintained liability insurance for its directors and officers as permitted by Section 310(3) of the Companies Act 1985.

CORPORATE GOVERNANCE

The board has considered the recommendations contained in the Report of the Cadbury Committee on Financial Aspects of Corporate Governance and the Code of Best Practice. After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

The board is responsible for establishing and maintaining the Group's system of internal financial control. Internal control systems are designed to meet the particular needs of the company concerned and the risks to which it is exposed, and by their nature can provide reasonable but not absolute assurance against material misstatement or loss. The board meets quarterly to review the overall business of the Group and to consider the matters specifically reserved for it to decide on. At these meetings the directors monitor the investment performance of the Group. The directors also review the Group's activity over the quarter to ensure that it adheres to its investment policy or, if it is appropriate, to authorise any change to that policy. The Group receives services from Jupiter Asset Management Limited and Jupiter Administration Services Limited relating to its investment management and administration activities. At least once a year, the directors receive a report from Jupiter Asset Management Limited and Jupiter Administration Services Limited detailing the internal financial control objectives and procedures operated by them together with an opinion from their external auditors. The board confirms that it has reviewed the effectiveness of the Group's system of internal financial control as it operated during the period.

The board believes that the Group complied with the Code's recommendations throughout the period.

PAYMENT OF SUPPLIERS

It is the Company's payment policy to obtain the best possible terms for all business and therefore there is no consistent policy as to the terms used. The Company agrees with its suppliers the terms on which business will take place, and it is the policy to abide by the terms.

AUDITORS

A resolution proposing the reappointment of Ernst & Young as auditors will be submitted at the Annual General Meeting.

By Order of the Board
Jupiter Asset Management Limited
Secretaries

For and on behalf of
JUPITER ASSET MANAGEMENT LIMITED
 Secretaries

9th April 1997

DIRECTORS' RESPONSIBILITIES FOR THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial period which give a true and fair view of the state of affairs of the Company and of the Group of the revenue of the Group for that period.

In preparing these 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 confirm that they comply with the above requirements.

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.

REPORT OF THE AUDITORS ON CORPORATE GOVERNANCE

To Jupiter Split Trust PLC

In addition to our audit of the accounts we have reviewed the directors' statement on page 15 concerning the Company's compliance with the paragraphs of the Code of Best Practice specified for our review by the London Stock Exchange and their adoption of the going concern basis in preparing the accounts. The objective of our review is to draw attention to non-compliance with Listing Rules 12.43(j) and 12.43(v).

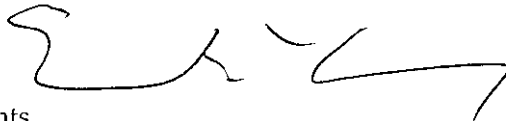
We carried out our review in accordance with guidance issued by the Auditing Practices board and assessed whether the directors' statements on going concern and internal financial control are consistent with the information of which we are aware from our audit. That guidance does not require us to perform the additional work necessary to, and we do not, express any opinion on the effectiveness of either the Company's system of internal financial control or its corporate governance procedures nor on the ability of the Company to continue in operational existence.

Opinion

With respect to the directors' statements on going concern and internal financial control on page 15, in our opinion the directors have provided the disclosures required by the Listing Rules referred to above and such statements are consistent with the information of which we are aware from our audit work on the accounts.

Based on enquiry of certain directors and officers of the Company and examination of relevant documents, in our opinion the directors' statement on page 15 appropriately reflects the Company's compliance with the other paragraphs of the Code specified for our review by Listing Rule 12.43(j).

ERNST & YOUNG
Chartered Accountants
London



9th April 1997

REPORT OF THE AUDITORS

To the members of Jupiter Split Trust PLC.

We have audited the accounts on pages 19 to 33 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 23 and 24.

Respective responsibilities of Directors and Auditors

As described on page 16, 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

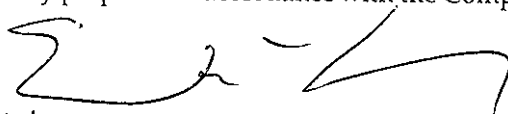
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the Group'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 the affairs of the Company and Group as at 31st December 1996 and of the revenue of the Group for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young
Chartered Accountants
Registered Auditor
London



9th April 1997

CONSOLIDATED STATEMENT OF TOTAL RETURN (INCORPORATING THE REVENUE ACCOUNT)

for the period ended 31st December 1996

		Revenue	Capital	1996 Total
	Notes	£'000	£'000	£'000
Realised gains on investments		—	15,636	15,636
Unrealised appreciation of investments		—	9,823	9,823
Total capital gains on investments			25,459	25,459
Income	2	12,668	—	12,668
Investment management fee	3	(716)	(716)	(1,432)
Investment performance fee		—	(2,972)	(2,972)
Other expenses	4	(476)	(96)	(572)
NET RETURN BEFORE FINANCE COSTS AND TAXATION		11,476	21,675	33,151
Interest payable	6	(304)	—	(304)
RETURN ON ORDINARY ACTIVITIES BEFORE TAX		11,172	21,675	32,847
Tax on ordinary activities	7	(2,915)	922	(1,993)
RETURN ON ORDINARY ACTIVITIES AFTER TAX FOR THE FINANCIAL PERIOD		8,257	22,597	30,854
Minority interest		(830)	(2,022)	(2,852)
NET RETURN AFTER MINORITY INTERESTS		7,427	20,575	28,002
Dividends in respect of non-equity shares	8	(6,484)	—	(6,484)
Other appropriations in respect of non-equity shares	8	—	(5,206)	(5,206)
TRANSFER TO RESERVES		943	15,369	16,312
RETURN PER INCOME SHARE	9	9.14p	—	9.14p
RETURN PER CAPITAL SHARE	9	—	43.86p	43.86p

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

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

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 23 to 33 form part of these accounts.

CONSOLIDATED BALANCE SHEET

at 31st December 1996

	Note	£'000
FIXED ASSET INVESTMENTS		
Investments	10	<u>179,000</u>
CURRENT ASSETS		
Investments	11	85
Debtors	12	3,413
Cash at bank		<u>15,467</u>
		18,965
CREDITORS: amounts falling due within one year	13	<u>(8,217)</u>
NET CURRENT ASSETS		<u>10,748</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		189,748
PROVISIONS FOR LIABILITIES AND CHARGES	14	<u>(9)</u>
NET ASSETS		<u><u>189,739</u></u>
CAPITAL AND RESERVES		
Called up share capital	16	4,243
Share premium	17	163,978
Capital reserve—realised	18	5,546
Capital reserve—unrealised	18	9,823
Redemption reserve	19	5,206
Revenue reserve	20	<u>943</u>
TOTAL SHAREHOLDERS' FUNDS		<u><u>189,739</u></u>
TOTAL SHAREHOLDERS' FUNDS ARE ATTRIBUTABLE TO:		
Equity shareholders		48,841
Non-equity shareholders		<u>140,898</u>
		<u><u>189,739</u></u>
NET ASSET VALUE PER SHARE:	15	
Annuity		0.01p
Zero Dividend Preference		108.99p
Income		35.81p
Capital		263.75p

Approved by the Board of Directors on 9th April 1997 and signed on its behalf:

G. Howard-Spink *Chairman*


The notes on pages 23 to 33 form part of these accounts.

BALANCE SHEET

at 31st December 1996

	Note	£'000
FIXED ASSET INVESTMENTS		
Investments	10	179,000
Interest in subsidiary undertakings	10	16
		<u>179,016</u>
CURRENT ASSETS		
Debtors	12	3,428
Cash at bank		15,458
		<u>18,886</u>
CREDITORS: amounts falling due within one year	13	(8,217)
NET CURRENT ASSETS		<u>10,669</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		189,685
PROVISIONS FOR LIABILITIES AND CHARGES	14	(9)
NET ASSETS		<u>189,676</u>
CAPITAL AND RESERVES		
Called up share capital	16	4,243
Share premium	17	163,978
Capital reserve—realised	18	5,274
Capital reserve—unrealised	18	9,823
Redemption reserve	19	5,206
Revenue reserve	20	1,152
TOTAL SHAREHOLDER'S FUNDS		<u>189,676</u>
TOTAL SHAREHOLDERS' FUNDS ARE ATTRIBUTABLE TO:		
Equity shareholders		48,778
Non-equity shareholders		140,898
		<u>189,676</u>

Approved by the Board of Directors on 9th April 1997 and signed on its behalf:

G. Howard-Spink *Chairman*



The notes on pages 23 to 33 form part of these accounts.

CONSOLIDATED CASH FLOW STATEMENT

for the period ended 31st December 1996

	Notes	£'000
OPERATING ACTIVITIES		
Net cash inflow from operating activities	23	<u>9,163</u>
SERVICING OF FINANCE		
Interest paid		(304)
Dividends paid		(4,109)
Dividends paid to minority shareholders		<u>(830)</u>
Net cash outflow from servicing of finance		<u>(5,243)</u>
TAXATION		
Net tax paid		<u>(2,594)</u>
INVESTING ACTIVITIES		
Purchase of fixed asset investments		(315,195)
Sale of fixed asset investments		274,209
Acquisition of The River Plate & General Investment Trust plc	25	(63,434)
Disposal of The River Plate & General Investment Trust plc	25	<u>(19,828)</u>
Net cash (outflow) from investing activities		<u>(124,248)</u>
Net cash (outflow) before financing		<u>(122,922)</u>
FINANCING		
Proceeds on issue of shares		145,353
Expenses paid in respect of new share issue		<u>(6,964)</u>
Net cash inflow from financing		<u>138,389</u>
Increase in cash and cash equivalents	24	<u><u>15,467</u></u>

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 and with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies". 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(e).

- (a) *Basis of consolidation:* The consolidated statement of total return and balance sheet include the financial statements of the Company and its subsidiary undertakings made up to 31st December 1996. The results of subsidiaries sold or acquired are included in the consolidated statement of total return up to, or from, the date control passes.

In the Company's accounts, investments in subsidiary undertakings are stated in accordance with the policies outlined under (e) below.

No revenue account is presented for the parent company as permitted by Section 230 of the Companies Act 1985.

- (b) *Revenue:* Dividends on investments are included in revenue when the investment price is quoted ex-dividend. Interest on deposits is accounted for on an accruals basis.
- (c) *Expenses:* Expenses are accounted for on an accruals basis. Management fees are charged half to the revenue account and half to the capital reserve in line with the board's expected long term split of returns. 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. Expenses which are incidental to the purchase or sale of an investment are included in the cost or deducted from the proceeds of the investment.
- (d) *The Zero Dividend Preference shares and Income shares:* These shares have a predetermined growth in capital entitlements and hence the finance cost attributable to these instruments is treated as a capital item in the redemption reserve.
- (e) *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. Current asset investments are valued individually at the lower of cost, market value or Directors' valuation. Provisions against current asset investments, when the cost exceeds the balance sheet valuation, are dealt with through the revenue account.
- (f) *Finance costs:* Finance costs, including dividends and other finance costs of non-equity shares, are accounted for on an accruals basis, and in accordance with the provisions of Financial Reporting Standard 4 "Capital Instruments".

NOTES TO THE ACCOUNTS

continued

1. ACCOUNTING POLICIES-CONTINUED

(g) *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.
- (iv) The tax effect of different items of income/gain and expenditure/loss is allocated between capital and revenue on the same basis as the particular item to which it relates using the Company's effective rate of tax for the accounting period.

(h) *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.
- (i) *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
 - transfer to redemption reserve

The capital reserve is not available for the payment of dividends.

2. INCOME

	Group £'000
INCOME FROM INVESTMENTS	
Franked investment income	9,605
UK unfranked investment income	769
Overseas dividends	1,080
Overseas interest	28
Foreign income dividends	134
	<hr/> 11,616
OTHER INCOME	
Deposit interest	713
Underwriting commissions	240
Profits less losses on dealings by subsidiaries	99
TOTAL INCOME	<hr/> <hr/> 12,668

NOTES TO THE ACCOUNTS

continued

2. INCOME-CONTINUED

	Group £'000
TOTAL INCOME COMPRISES:	
Dividends	10,819
Interest	797
Other income	1,052
	<u>12,668</u>
INCOME FROM INVESTMENTS	
Listed UK	10,490
Listed overseas	1,108
Unlisted	18
	<u>11,616</u>

3. INVESTMENT MANAGEMENT FEE

	Revenue £'000	Group Capital £'000	Total £'000
Investment management fee	609	609	1,218
Irrecoverable VAT thereon	107	107	214
	<u>716</u>	<u>716</u>	<u>1,432</u>

Details of the investment management contract are given in Note 26.

4. OTHER EXPENSES

	Group £'000
Directors' remuneration (Note 5)	55
Auditors' remuneration—audit	41
—non audit	10
Administration fee	62
Other administrative expenses	297
Bank charges	11
	<u>476</u>

In addition, the auditors received £60,000 for services provided in relation to the launch of the Company and charged to share premium account.

Expenses relating to the wind-up of a subsidiary amounting to £96,350 were charged to capital reserves.

NOTES TO THE ACCOUNTS

continued

5. DIRECTORS' REMUNERATION

Fees paid to the Chairman and highest paid director were £14,898.

The emoluments of the directors fell within the following bands:

	Group
£10,001 – £15,000	3
£5,001 – £10,000	2
£Nil – £5,000	1

The emoluments of Mr. Duffield and Mr. Heathcoat Amory were paid to Jupiter Asset Management Limited for making available their services as directors of the Company.

6. INTEREST PAYABLE

Interest on debentures and bank loans repayable within 5 years:

	Group £'000
4% Debenture Stock	8
Bank loan	296
	<u>304</u>

7. TAXATION

	Revenue £'000	Group Capital £'000	Total £'000
Corporation tax	308	—	308
Double tax relief	(61)	—	(61)
Tax attributable to FII	1,958	—	1,958
Section 242 claim	(282)	—	(282)
Overseas tax	139	—	139
Tax on capital items	922	(922)	—
Irrecoverable ACT			
written back	(61)	—	(61)
Deferred tax	23	—	23
Prior year			
adjustments	(31)	—	(31)
	<u>2,915</u>	<u>(922)</u>	<u>1,993</u>

8. DIVIDENDS AND OTHER APPROPRIATIONS

	Revenue £'000	Capital £'000	Total £'000
Dividends on non-equity shares:			
Annuity dividends paid of 13.2p net	2,312	—	2,312
Annuity dividend accrual for 3 months	578	—	578
1st Interim Income dividend 3.62p net paid	1,797	—	1,797
2nd Interim Income dividend 3.62p net accrued	1,797	—	1,797
Appropriations for premiums payable on redemption:			
Annuity shares	—	(1,539)	(1,539)
Zero Dividend Preference shares	—	6,523	6,523
Income shares	—	222	222
	<u>6,484</u>	<u>5,206</u>	<u>11,690</u>

NOTES TO THE ACCOUNTS

continued

9. RETURN PER SHARE

Revenue return 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 £4,536,163.

Capital return per Capital share is calculated on 35,036,984 Capital shares in issue throughout the period from the first day of dealing in the Company's shares and net capital gains attributable to these shares of £15,369,022 which is after deduction of the redemption reserve.

10. FIXED ASSET INVESTMENTS

	Group £'000	Company £'000
(i) Portfolio investments		
Additions at cost	415,423	421,568
Disposals at cost	(246,246)	(252,391)
Book cost at end of period	169,177	169,177
Unrealised appreciation	9,823	9,823
Market value at end of period	179,000	179,000
		Group & Company £'000
Investments listed in the UK		162,521
Investments listed overseas		13,554
Unlisted investments		2,925
		179,000
(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 operating in England and Wales. Rowansound Limited is dormant. Interest in subsidiary undertakings is stated at cost of £15,971 in the Company's balance sheet.		
(iii) In addition, the Company owned 83.2% of the voting rights of The River Plate & General Investment Trust PLC from launch up to 31st October 1996 when it was placed into liquidation. The Company received its share of a distribution of assets in November 1996.		

11. CURRENT ASSET INVESTMENTS

	Group £'000	Company £'000
Listed in the United Kingdom	85	—
Market value of investments	93	—

NOTES TO THE ACCOUNTS

continued

12. DEBTORS

	Group	Company
	£'000	£'000
Trade debtors	1,087	1,087
Dividends receivable	788	788
Prepayments & accrued interest	198	198
Other debtors	716	715
Due from subsidiary undertakings	—	86
Taxation	624	554
	<u>3,413</u>	<u>3,428</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group & Company
	£'000
Income shares dividend accrual	1,797
Annuity shares dividend accrual	578
Other creditors and accruals	3,258
Trade creditors	2,570
Advance corporation tax	14
	<u>8,217</u>

14. PROVISIONS FOR LIABILITIES AND CHARGES

	Group & Company
	£'000
Deferred taxation provided on timing differences	23
Less: Advance corporation tax recoverable	(14)
Deferred taxation provision carried forward	<u>9</u>

15. NET ASSET VALUE

The net asset value per share and the net asset values attributable to each class of share calculated in accordance with the Articles of Association were as follows:

	Net asset value per share attributable	Net assets attributable
	p	£'000
Annuity shares	0.01	2
Zero Dividend Preference shares	108.99	79,553
Income shares	35.81	17,775
Capital shares	263.75	92,409

NOTES TO THE ACCOUNTS

continued

15. NET ASSET VALUE (CONTINUED)

The movements during the period of the assets attributable to each class of share were as follows:

	Annuity shares £'000	Zero Dividend shares £'000	Income shares £'000	Capital shares £'000	Total £'000
Total net assets attributable at launch	2	72,994	12,409	82,816	168,221
Total recognised gains for the period	2,890	6,559	8,960	9,593	28,002
Dividends appropriated in the period	(2,890)	—	(3,594)	—	(6,484)
	<u>2</u>	<u>79,553</u>	<u>17,775</u>	<u>92,409</u>	<u>189,739</u>

Net asset value per Capital share is based on net assets after deducting the prior entitlements of the Annuity, Income and Zero Dividend Preference shares and 35,036,984 Capital shares, being the number of Capital shares in issue at the period end. The analysis of shareholders' funds on the face of the balance sheet has been computed in accordance with the provisions of Financial Reporting Standard 4 "Capital Instruments", and does not reflect the rights under the Articles of Association of the respective classes of share on a return of assets. A reconciliation of the two sets of figures is given in note 21.

16. CALLED-UP SHARE CAPITAL

	£'000
<i>Authorised:</i>	
25,200,000 Annuity shares of 0.01p each	3
105,000,000 Zero Dividend Preference shares of 0.01p each	10
71,400,000 Income shares of 5p each	3,570
50,400,000 Capital shares of 5p each	2,520
	<u>6,103</u>
	£'000
<i>Issued, called up and fully paid</i>	
17,518,492 Annuity shares of 0.01p each	2
72,993,717 Zero Dividend Preference shares of 0.01p each	7
49,635,727 Income shares of 5p each	2,482
35,036,984 Capital shares of 5p each	1,752
	<u>4,243</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.

NOTES TO THE ACCOUNTS

continued

16. CALLED-UP SHARE CAPITAL (CONTINUED)

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 Preference shares of 0.01p each, 71,400,000 Income shares of 5p each and 49,400,000 Capital shares of 5p each.

On 16th November 1995 20 Ordinary shares were issued to UBS Limited 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 Preference 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. Holders of Annuity shares will not be entitled to vote at general meetings of the Company.

Each Zero Dividend Preference share carries no right to income. On a return of capital, the holders of Zero Dividend Preference 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. Holders of the Zero Dividend Preference shares will not be entitled to vote at general meetings of the Company.

Income shareholders are entitled to the net distributable income of the Company, after satisfying the prior entitlements of the Annuity 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. Income shareholders will have a right to vote at general meetings of the Company and will, on a poll, be entitled in aggregate to the same number of votes as that to which holders of Capital shares are entitled at such meetings.

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. Capital shareholders will have the right to vote at general meetings of the Company and will, on a poll, be entitled in aggregate to the same number of votes as that to which holders of Income shares are entitled at such meetings.

17. SHARE PREMIUM

	£'000
Premium on shares issued during the period	170,942
Issue expenses	(6,964)
At end of period	<u>163,978</u>

NOTES TO THE ACCOUNTS

continued

18. CAPITAL RESERVE

	Group £'000	Company £'000
Realised:		
Realised investment gains net of minority interests	13,614	13,393
Management expenses charged to capital	(716)	(415)
Investment performance bonus accrual	(2,972)	(2,972)
Tax on capital items	922	570
Expenses of scheme for wind-up of subsidiary	(96)	(96)
Transfer to redemption reserve for non-equity shares	(5,206)	(5,206)
	<u>5,546</u>	<u>5,274</u>
Unrealised:		
Unrealised appreciation of portfolio investments	9,823	9,823
At end of period	<u>15,369</u>	<u>15,097</u>

19. REDEMPTION RESERVE

	Group £'000	Company £'000
Transfer from capital reserve	<u>5,206</u>	<u>5,206</u>

20. REVENUE RESERVE

	Group £'000	Company £'000
Retained revenue for period	<u>943</u>	<u>1,152</u>

21. TOTAL SHAREHOLDERS' FUNDS

The shareholders' funds are attributable to each class of share as follows:

	Group £'000	Company £'000
Equity shares	<u>48,841</u>	<u>48,778</u>
Non-equity shares:		
Annuity shares	15,266	15,266
Zero Dividend Preference shares	76,543	76,543
Income shares	<u>49,089</u>	<u>49,089</u>

NOTES TO THE ACCOUNTS

continued

21. TOTAL SHAREHOLDERS' FUNDS – CONTINUED

Total shareholders' funds have been apportioned between equity shareholders and non-equity shareholders in accordance with the provisions of Financial Reporting Standard 4 "Capital Instruments". However, the net asset value per share figures in Note 15 have been calculated on the basis of shareholders' rights to reserves as specified in the Articles of Association of the Company. A reconciliation of the two figures for each category is as follows:

	Annuity shares	Zero Dividend Preference shares	Income shares	Capital shares
Shareholders' funds attributable	15,266	76,543	49,089	48,841
No. of shares in issue at period end	17,518,492	72,993,717	49,635,727	35,036,984
Funds per share (pence)	87.14	104.86	98.90	139.40
Additions/(deductions) (pence)				
—expenses of share issue	4.07	4.07	3.87	3.87
—premium on issue	(99.99)	—	(75.00)	—
—timing difference	8.79	0.06	8.04	120.48
Net asset value per share	<u>0.01</u>	<u>108.99</u>	<u>35.81</u>	<u>263.75</u>

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Group £'000	Company £'000
New share capital subscribed	175,185	175,185
Issue expenses	(6,964)	(6,964)
Revenue return	7,427	7,636
Dividends	(6,484)	(6,484)
Capital return	20,575	20,303
Closing shareholders' funds	<u>189,739</u>	<u>189,676</u>

23. RECONCILIATION OF CONSOLIDATED NET CASH INFLOW FROM OPERATING ACTIVITIES TO

REVENUE	£'000
Revenue before interest payable and taxation	11,476
(Increase) in prepayments and accrued income	(986)
(Increase) in other debtors	(716)
Increase in accruals	3,258
Current asset investment dealings	(85)
Less items dealt with in capital reserves:	
Investment performance bonus	(2,972)
Management fee	(716)
Other expenses	(96)
	<u>9,163</u>

24. ANALYSIS OF CHANGES IN CONSOLIDATED CASH BALANCES

	£'000
Net cash inflow	15,467
At end of period	<u>15,467</u>

NOTES TO THE ACCOUNTS

continued

25. ACQUISITION AND DISPOSAL OF SUBSIDIARIES

£'000

Net assets acquired:	
Fixed asset investments	109,829
Cash	3,713
Other assets and liabilities	311
Minority shareholders' interests	(16,874)
	<u>96,979</u>
Satisfied by shares allotted	29,832
Cash	67,147
	<u>96,979</u>
	£'000
Net assets disposed of:	
Fixed asset investments	102,897
Cash	22,008
Other assets and liabilities	(768)
Minority shareholders' interests	(18,896)
	<u>105,241</u>
Satisfied by	
Fixed asset investments	102,831
Cash	2,180
Other assets and liabilities	230
	<u>105,241</u>

Revenue attributable to members of the parent company includes profits of £4,497,805 earned by The River Plate & General Investment Trust PLC up to its windup date of 31st October 1996.

26. RELATED PARTIES

Mr Duffield is a director and shareholder and Mr Heathcoat Amory is a shareholder of the holding company of Jupiter International Group PLC and both are directors of Jupiter International Group PLC whose subsidiaries, Jupiter Asset Management Limited and Jupiter Administration Services Limited receive investment management and administration fees as follows:

Jupiter Asset Management Limited is contracted to provide investment management services to the Company (subject to termination by not less than two year's notice by either party) for an annual fee of 0.75% of total assets payable monthly in arrears. Jupiter Asset Management Limited is entitled to receive a performance bonus of 15% of the increase in total assets, before deduction of dividends and expenses paid or payable, in excess of 10% for an annual accounting period. A performance bonus of £2,529,547 plus VAT was payable for the period ended 31st December 1996 and was outstanding at 31st December 1996. The December management fee of £139,280 was also outstanding at 31st December 1996.

Jupiter Administration Services Limited is contracted to provide secretarial, accounting and administrative services to the Company for an annual fee of £62,500 (exclusive of Value Added Tax) plus indexation, payable quarterly in advance.

In connection with the placing and offer for subscription on 3rd January 1996, Jupiter Asset Management Limited received a fee for corporate finance work of £466,667.

27. 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.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the First Annual General Meeting of Jupiter Split Trust PLC will be held at Knightsbridge House, 197 Knightsbridge, London SW7 1RB on 2nd May 1997 at 11.00 am for the following purposes:

1. To receive the Report and Accounts together with the Report of the Directors and the Reports of the Auditors thereon, for the period ended 31st December 1996.
2. To elect Mr G Howard-Spink, who was appointed to the board on 22nd November 1995, as a director of the Company.
3. To elect Mr P C A de Blonay, who was appointed to the board on 22nd November 1995, as a director of the Company.
4. To elect Mr J L Duffield, who was appointed to the board on 2nd November 1995, as a director of the Company.
5. To elect Mr M F Heathcoat Amory, who was appointed to the board on 2nd November 1995, as a director of the Company.
6. To elect Sir Richard E B Lloyd Bt., who was appointed to the board on 22nd November 1995, as a director of the Company.
7. To appoint Ernst & Young as Auditors pursuant to Section 385 of the Companies Act 1985 and to authorise the Directors to determine their remuneration.

Knightsbridge House
197 Knightsbridge
London
SW7 1RB

By Order of the Board
Jupiter Asset Management Limited
Secretaries

9th April 1997

Notes:

1. A member entitled to attend and vote may appoint a proxy or proxies to attend, and on a poll, vote instead of him.
2. A proxy need not be a member of the Company.
3. A Form of Proxy for use by Income and Capital shareholders is enclosed which, if required, should be completed in accordance with the instructions set out therein.
4. No director has a service contract with the Company or its subsidiaries.

INCOME AND CAPITAL SHAREHOLDERS ARE ENTITLED TO ATTEND, OR BE REPRESENTED, AND VOTE ON RESOLUTIONS AT THE MEETING.

ANNUAL GENERAL MEETING FORM OF PROXY

Please complete in block capitals

I/We

of

.....

being a member(s) of the above named Company hereby appoint the Chairman of the Meeting

or*
as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 2nd May 1997 and at every adjournment thereof.

I/We direct my/our proxy to vote on the Resolutions as set out in the Notice convening the Annual General Meeting as follows:

RESOLUTIONS	For	Against
1. Directors' Report and Accounts	<input type="checkbox"/>	<input type="checkbox"/>
2. Election of G Howard-Spink	<input type="checkbox"/>	<input type="checkbox"/>
3. Election of P C A de Blonay	<input type="checkbox"/>	<input type="checkbox"/>
4. Election of J L Duffield	<input type="checkbox"/>	<input type="checkbox"/>
5. Election of M F Heathcoat Amory	<input type="checkbox"/>	<input type="checkbox"/>
6. Election of Sir Richard E B Lloyd, Bt	<input type="checkbox"/>	<input type="checkbox"/>
7. Appointment of Auditors	<input type="checkbox"/>	<input type="checkbox"/>

Signed this day of 1997

Signature

*If it is desired to appoint any other person as proxy strike out the Chairman of the Meeting above and add the name of the proxy you wish to appoint in the space provided.

Income and Capital shareholders have voting rights on all resolutions at this meeting.

Please indicate how you wish your proxy to vote by placing a tick in the appropriate box.

Unless otherwise indicated the proxy will exercise his discretion both as to how to vote and as to whether he abstains from voting.

In the case of joint holders the signature of any one holder will be sufficient.

In the case of a company the proxy should be executed under its Common Seal or under the hand of some officer duly authorised in writing in that behalf.

This proxy to be valid must be lodged with the Company's or Registrar's office not later than 48 hours before the time of the meeting.

