

ABERFORTH SPLIT LEVEL TRUST plc

Registered in Scotland No. 130668

INTERIM ACCOUNTS

1 July 1995 to 30 September 1995

Prepared and lodged pursuant to s.272 Companies Act 1985



4.

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

### **IN RESPECT OF THE INTERIM ACCOUNTS**

The law requires that a company shall not make a distribution except out of profits available for the purpose. The accounts which are relevant for determining the profits available for distribution are, in the first instance, the last annual accounts. Where the distribution would be found to contravene the law if reference were made to the Company's last annual accounts, then the Directors may prepare interim accounts. Interim accounts are required to give a true and fair view of the state of affairs of the Company as at the balance sheet date and of the profit or loss of the Company for the period in respect of which the accounts are prepared. In preparing these accounts, the Directors are required to:

- \* select suitable accounting policies and then apply them consistently;
- \* make judgements and estimates that are reasonable and prudent;
- \* state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- \* prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the 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.

# REVENUE ACCOUNT

		<i>3 mths to 30 Sep 1995</i>	<i>12 mths to 30 Jun 1995</i>
	<i>Note</i>	<i>£'000</i>	<i>£'000</i>
<b>INCOME</b>			
<b>Franked investment income</b>		855	3,527
Securities listed on the London Stock Exchange			
Securities quoted on the Unlisted Securities Market		23	102
<b>Unfranked investment income</b>		4	4
Securities listed on the London Stock Exchange			
<b>Other income</b>		40	137
Deposit interest		1	23
Underwriting commission		-	11
Scrip dividends		-	11
Foreign income dividends		-	-
<b>TOTAL INCOME</b>		<u>923</u>	<u>3,815</u>
<b>EXPENSES</b>			
Management fee		78	294
Secretarial fee		13	51
Administrative expenses		14	47
Directors' fees		6	22
Audit fee		-	5
<b>TOTAL EXPENSES</b>		<u>(111)</u>	<u>(419)</u>
<b>REVENUE BEFORE TAXATION</b>		812	3,396
Taxation	2	<u>(162)</u>	<u>(675)</u>
<b>REVENUE AFTER TAXATION</b>		650	2,721
Dividends on non equity interests	3	<u>(651)</u>	<u>(3,131)</u>
<b>TRANSFERRED FROM REVENUE RESERVE</b>		(1)	(410)
<b>EARNINGS PER INCOME SHARE</b>		<u>2.10p</u>	<u>8.78p</u>
<b>DIVIDENDS PER INCOME SHARE:</b>		<u>2.10p</u>	<u>8.60p</u>
	Normal		
	Special	<u>-</u>	<u>1.50p</u>

The Notes on pages 6 to 10 form part of these accounts.

# BALANCE SHEET

		<i>As at 30 Sep 1995</i>	<i>As at 30 Jun 1995</i>
	<i>Note</i>	<i>£'000</i>	<i>£'000</i>
<b>FIXED ASSETS - INVESTMENTS</b>			
<b>Securities listed on the London Stock Exchange</b>			
UK ordinary shares		93,202	84,499
UK convertible securities		287	430
<b>Securities quoted on the Unlisted Securities Market</b>			
UK ordinary shares		1,228	1,335
UK convertible securities		-	-
<b>Total Investments</b>	<b>4</b>	<b>94,717</b>	<b>86,264</b>
<b>Current Assets</b>			
<b>Debtors</b>			
Due from brokers		1,935	1,313
Other debtors		477	581
Cash at bank and on deposit		833	2,117
		<u>3,245</u>	<u>4,011</u>
<b>Creditors</b>			
(amounts falling due within one year)		(634)	(382)
Due to brokers		(119)	(132)
Taxation payable		(6)	(18)
Other creditors		(651)	(1,271)
Dividends payable		<u>(1,410)</u>	<u>(1,803)</u>
		<u>1,835</u>	<u>2,208</u>
<b>Net Current Assets</b>		<u>96,552</u>	<u>88,472</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
<b>CAPITAL AND RESERVES: NON EQUITY INTERESTS</b>			
<b>Called up share capital:</b>	<b>5</b>	<b>6,201</b>	<b>6,201</b>
<b>Reserves:</b>			
Share premium account	6	24,543	24,543
Capital redemption reserve	7	45,549	45,549
Realised capital reserve	8	7,371	5,799
Unrealised capital reserve	8	12,698	6,189
Revenue reserve	8	<u>190</u>	<u>191</u>
		<u>96,552</u>	<u>88,472</u>
<b>NET ASSET VALUES</b>			
<b>Per Income Share</b>		<b>10.6p</b>	<b>10.6p</b>
<b>Per Capital Share</b>		<b>300.8p</b>	<b>274.7p</b>
<b>Per Unit</b>		<b>311.4p</b>	<b>285.3p</b>
(being one Income Share and one Capital Share)			

Approved by the Board of Directors on 11 October 1995 and signed on its behalf by M.J. Walker, Chairman.

*Michael Walker* 11 Oct 95.

The Notes on pages 6 to 10 form part of these accounts.

## CASH FLOW STATEMENT

	<i>3 mths to 30 Sep 1995</i>	<i>12 mths to 30 Jun 1995</i>
<i>Note</i>	<i>£'000</i>	<i>£'000</i>
<b>Operating activities</b>		
Cash received from investments (net of tax)	791	2,813
Deposit interest received	49	135
Underwriting commission received	12	14
Investment management fee allocated to revenue	(78)	(294)
Cash paid to and on behalf of Directors	(6)	(22)
Other cash payments	(40)	(99)
<b>Net cash inflow from operating activities</b>	<b>9      728</b>	<b>2,547</b>
<b>Returns on investments and servicing of finance</b>		
Dividends paid	(1,271)	(2,769)
<b>Taxation</b>		
UK corporation tax paid	(10)	(24)
UK tax recovered	<u>11</u>	<u>65</u>
	1	41
<b>Investing activities</b>		
Payments to acquire investments	(6,994)	(31,669)
Receipts from sale of investments	6,382	31,197
Investment management fee allocated to capital	<u>(130)</u>	<u>(490)</u>
Net cash outflow from investing activities	(742)	(962)
<b>Net cash outflow before financing</b>	<b>(1,284)</b>	<b>(1,143)</b>
<b>Financing activities</b>	<b>-</b>	<b>-</b>
<b>Decrease in cash and cash equivalents</b>	<b>9      (1,284)</b>	<b>(1,143)</b>

The Notes on pages 6 to 10 form part of these accounts.

# STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	<i>3 mths to 30 Sep 1995</i>	<i>12 mths to 30 Jun 1995</i>
<i>Note</i>	<i>£'000</i>	<i>£'000</i>
<b>Capital profit on investments:</b>		
Realised gains and losses	1,702	3,744
Management fee allocated to capital (net of tax relief)	(130)	(630)
Unrealised gains and losses	<u>6,509</u>	<u>1,268</u>
Capital surplus for the period	8,081	4,382
Revenue profit available for distribution	<u>650</u>	<u>2,721</u>
<b>Total recognised gains and losses for the period</b>	<u><u>8,731</u></u>	<u><u>7,103</u></u>
<b>Distributable profits</b>		
Revenue profit available for distribution	650	2,721
Dividends	<u>(651)</u>	<u>(3,131)</u>
Transfer from distributable reserves	10      (1)	(410)
<b>Non-distributable profits</b>		
Transfer from non-distributable reserves	10 <u>8,081</u>	<u>4,382</u>
	<u><u>8,080</u></u>	<u><u>3,972</u></u>

The Notes on pages 6 to 10 form part of these accounts.

# NOTES ON THE ACCOUNTS

## 1 ACCOUNTING POLICIES

### Basis of preparation

The accounts have been prepared in accordance with applicable accounting standards, and under the historical cost convention, modified to include the revaluation of fixed asset investments.

### Income and expenses

- (i) Income from investments (and any related tax credits) is taken into account on the date the security is first quoted "ex-dividend".
- (ii) When the Company elects to receive a scrip dividend in lieu of a cash dividend, an amount equal to the dividend not received is included in income on the date the security is first quoted "ex-dividend". When the Company elects to receive an enhanced scrip dividend, an amount equal to the gross cash dividend is included in income on the date the security is first quoted "ex-dividend".
- (iii) Other income and expenses are accounted for on an accruals basis.

### Investments

Listed investments and investments quoted on the Unlisted Securities Market are included in the accounts at closing mid-market valuation.

### Capital reserves

These reserves comprise the following:

- (i) Gains and losses on realisation of investments.
- (ii) Increases and decreases in the valuation of investments held.
- (iii) 62.5% of the management fee payable during the period. The balance of 37.5% is charged to revenue (see Note 8).
- (iv) Corporation Tax relief or charge, if applicable, on (iii) above.

## 2 TAXATION

	<i>3 mths to 30 Sep 1995</i>	<i>12 mths to 30 Jun 1995</i>
	<i>£'000</i>	<i>£'000</i>
Tax on franked investment income	176	726
Recoverable tax credits - s.242 claim	<u>(14)</u>	<u>(51)</u>
	162	675

No provision has been made in the Revenue Account for Advance Corporation Tax on the dividends payable as in the opinion of the directors such tax will be fully relieved by tax credits.

### 3 DIVIDENDS

	<i>3 mths to 30 Sep 1995 £'000</i>	<i>12 mths to 30 Jun 1995 £'000</i>
<b>Income Shares</b>		
First interim - 2.1p (Year to 30/6/95 - 2.0p)	651	620
Second interim (Year to 30/6/95 - 2.0p)	-	620
Third interim (Year to 30/6/95 - 2.0p)	-	620
Fourth interim (Year to 30/6/95 - 2.6p)	-	806
Special (Year to 30/6/95 - 1.5p)	-	465
	<u>651</u>	<u>3,131</u>

The first interim dividend will be paid on 1 December 1995 to shareholders on the register at 31 October 1995.

### 4 INVESTMENTS

	<i>£'000</i>
Opening value of investments	86,264
Opening unrealised appreciation	(6,189)
Opening cost of investments	80,075
<b>Purchases at cost during period</b>	<b>7,246</b>
<b>Sales at cost during period</b>	<b>(5,302)</b>
Closing cost of investments	82,019
Closing unrealised appreciation	<u>12,698</u>
<b>Closing value of investments</b>	<b><u>94,717</u></b>

### 5 SHARE CAPITAL

	<i>At 30 September 1995</i>		<i>At 30 June 1995</i>	
	<i>No. of Shares</i>	<i>£'000</i>	<i>No. of Shares</i>	<i>£'000</i>
<b>Authorised:</b>				
Income Shares of 10p	258,750,000	25,875	258,750,000	25,875
Capital Shares of 10p	258,750,000	<u>25,875</u>	258,750,000	<u>25,875</u>
		51,750		51,750
		<u>51,750</u>		<u>51,750</u>
<b>Allotted, issued and fully paid:</b>				
Income Shares of 10p	31,006,286	3,100.6	31,006,286	3,100.6
Capital Shares of 10p	31,006,286	<u>3,100.6</u>	31,006,286	<u>3,100.6</u>
		6,201.2		6,201.2
		<u>6,201.2</u>		<u>6,201.2</u>



## 5 SHARE CAPITAL (Cont)

Income Shareholders are entitled to all profits of the Company available for distribution by way of dividend. In a winding up they are entitled to a payment of 10 pence (their nominal value) per share plus any undistributed revenue reserve. Save in relation to any resolution to wind up the Company on or after 1 July 2001 and certain resolutions to reconstruct the Company (on which resolutions the Income Shareholders shall all be deemed to vote in favour), Income Shareholders are entitled to one vote per share.

Capital Shareholders do not participate in any dividend or in any revenue reserve. In a winding up they are entitled to all surplus assets of the Company after payment to the Income Shareholders of 10 pence per Income Share plus any undistributed revenue reserve. Capital Shareholders are entitled to one vote per share.

The Directors are obliged to convene an Extraordinary General Meeting of the Company between 1 July 2001 and 30 June 2004 at which a Special Resolution will be proposed to wind up the Company voluntarily. In common with other investment trust companies whose capital structure is similar, it is the Directors' intention (barring unforeseen circumstances) to convene such a meeting towards the end of the required period.

The Directors shall not, however, be required to convene such an Extraordinary General Meeting if a resolution shall previously have been passed to reconstruct or reorganise the Company (whether by way of unitisation or otherwise).

## 6 SHARE PREMIUM ACCOUNT

£'000

At 1 July 1995 and 30 September 1995

24,543

## 7 CAPITAL REDEMPTION RESERVE

£'000

At 1 July 1995 and 30 September 1995

45,549

## 8 RESERVES

£'000

### Realised Capital Reserve

At 1 July 1995

5,799

Net Gain on sale of investments listed on the London  
Stock Exchange

1,702

Net Gain on sale of investments quoted on the Unlisted  
Securities Market

— (130)

Management fee

7,371

At 30 September 1995

### Unrealised Capital Reserve

At 1 July 1995

6,189

Movement during period:

- investments listed on the London Stock Exchange

6,307

- investments quoted on the Unlisted Securities Market

202

12,698

At 30 September 1995

### Revenue Reserve

At 1 July 1995

191

Transferred to Revenue Account

(1)

190

At 30 September 1995

	<i>3 mths to 30 Sep 1995</i>	<i>12 mths to 30 Jun 1995</i>
	<i>£'000</i>	<i>£'000</i>
<b>Reconciliation of revenue before taxation to net cash inflow from operating activities</b>		
Revenue before taxation	812	3,396
Scrip dividends	-	(11)
Tax withheld from income on investments	(176)	(726)
Decrease/(increase) in debtors	104	(112)
Decrease in creditors	(12)	-
<b>Net cash inflow from operating activities</b>	<b>728</b>	<b>2,547</b>
<b>Analysis of changes in cash and cash equivalents during the period</b>		
Opening cash at bank	2,117	3,260
Net cash outflow	(1,284)	(1,143)
<b>Closing cash at bank</b>	<b>833</b>	<b>2,117</b>

## 10 SHAREHOLDERS' FUNDS

	<i>3 mths to 30 Sep 1995</i>	<i>12 mths to 30 Jun 1995</i>
	<i>£'000</i>	<i>£'000</i>
<b>Reconciliation of movements in shareholders' funds</b>		
Revenue available for distribution	650	2,721
Dividends	(651)	(3,131)
	(1)	(410)
Other recognised gains and losses relating to the period (net)	8,081	4,382
Net addition to shareholders' funds	8,080	3,972
Opening shareholders' funds	88,472	84,500
<b>Closing shareholders' funds</b>	<b>96,552</b>	<b>88,472</b>
<b>Analysis of non equity interests</b>		
Attributable to:		
Income Shareholders	3,291	3,292
Capital Shareholders	93,261	85,180
	96,552	88,472

## **11 NON-AUDIT SERVICES**

During the three months to 30 September 1995, the Company's auditors were paid £Nil (year to 30 June 1995 - £Nil) in respect of non-audit services.

## **12 COMMITMENTS**

As at 30 September 1995, the Company had sub-underwriting and placing commitments of £35,591 (30 June 1995 - £472,000).