

3224780

REPORT AND ACCOUNTS

**Homeowners Investment Fund Managers Limited
(Formerly Homeowners Unit Trust Managers Limited)**

31 DECEMBER 1999



HOMEOWNERS INVESTMENT FUND MANAGERS LIMITED

Registered No. 3224780

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HOMEOWNERS INVESTMENT FUND MANAGERS LIMITED

Registered No. 3224780

DIRECTORS

R F Pierce (Chairman)

N J Brinn

S Fox

P N Sparling

SECRETARY

T Colston

AUDITORS

Ernst & Young

PO Box 61

Cloth Hall Court

14 King Street

Leeds LS1 2JN

BANKERS

Coutts & Co

3rd Floor

New London Bridge House

25 London Bridge Street

London SE1

DEPOSITORY / TRUSTEE

Bank of New York Trust and Depository

Company Limited

46 Berkeley Street

London

W1X 6AA

REGISTERED OFFICE

Hornbeam Park Avenue

Harrogate

HG2 8XE

ADMINISTRATION AND DEALING

International Fund Managers UK Limited

155 Bishopsgate

London

EC2M 3XY

Regulated by the Personal Investment Authority (PIA) and Investment Management Regulatory Organisation (IMRO). A member of the Association of Unit Trusts and Investment Funds (AUTIF).

HOMEOWNERS INVESTMENT FUND MANAGERS LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 1999.

PRINCIPAL ACTIVITY

The Company's principal activity during the year was that of unit trust and OEIC management.

REVIEW OF THE BUSINESS

The operating loss for the year amounted to £125,899.

During the year the company received £172,000 for tax losses surrendered to Homeowners Friendly Society Limited and consequently returned a profit on ordinary activities after taxation of £52,336.

On 22 November 1999 the unit trusts managed by the company were converted to OEICs.

On 26 November 1999 the company changed its name from Homeowners Unit Trust Managers Limited to Homeowners Investment Fund Managers Limited.

Following the conversion of the unit trusts to OEICs Homeowners Friendly Society Limited purchased shares for £14,555,000. This amount is included in turnover. It is envisaged that this increase in fund size will result in a small profit before tax in the coming year.

DIVIDENDS

The Directors do not recommend the payment of a dividend for the year.

DIRECTORS

The present membership of the board is set out on page 1.

R F Pierce was appointed director and Chairman on 12 August 1999.

There are no directors' interests requiring disclosure under the Companies Act 1985.

AUDITOR

The directors will place a resolution before a General Meeting to re-appoint Ernst & Young as auditor for the coming year, at a remuneration to be agreed by the Directors.

Approved by the Board of Directors
and signed on behalf of the Board



T Colston

Secretary
23 March 2000

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF 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 profit or loss of the company for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that the accounts comply with the above.

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.

AUDITOR'S REPORT

REPORT OF THE AUDITOR

to the members of Homeowners Investment Fund Managers Limited

We have audited the accounts on pages 5 to 10, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 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.

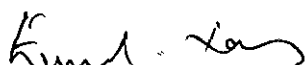
Basis of opinion

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 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 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Registered Auditor
Leeds

24 March 2000

HOMEOWNERS INVESTMENT FUND MANAGERS LIMITED**PROFIT AND LOSS ACCOUNT**
for the year ended 31 December 1999

	<i>Notes</i>	1999 £	1998 £
CONTINUING OPERATIONS			
Turnover	2	14,607,297	146,229
Cost of sales		14,605,257	142,009
		-----	-----
GROSS PROFIT		2,040	4,220
Administrative expenses		(185,793)	(123,007)
Other operating income		57,854	45,197
		-----	-----
OPERATING LOSS	3	(125,899)	(73,590)
Interest receivable and similar income	6	6,235	11,760
		-----	-----
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(119,664)	(61,830)
Tax on loss on ordinary activities	7	172,000	-
		-----	-----
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		52,336	(61,830)
RETAINED LOSSES BROUGHT FORWARD		(442,987)	(381,157)
		-----	-----
RETAINED LOSSES CARRIED FORWARD		(390,651)	(442,987)
		=====	=====

There are no recognised gains or losses for 1999 other than the profit on ordinary activities shown above.

HOMEOWNERS INVESTMENT FUND MANAGERS LIMITED

BALANCE SHEET at 31 December 1999

	Notes	1999 £	1998 £
CURRENT ASSETS			
Investments	8	24,625	21,251
Debtors	9	786,332	9,528
Cash on deposit and current account		302,517	186,274
		<hr/>	<hr/>
		1,113,474	217,053
		<hr/>	<hr/>
CREDITORS:			
amounts falling due within one year	10	904,125	60,040
		<hr/>	<hr/>
NET CURRENT ASSETS		209,349	157,013
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		209,349	157,013
		<hr/> <hr/>	<hr/> <hr/>
CAPITAL AND RESERVES			
Called up share capital	11	600,000	600,000
Profit and loss account	12	(390,651)	(442,987)
		<hr/>	<hr/>
	12	209,349	157,013
		<hr/> <hr/>	<hr/> <hr/>

The financial statements were approved by the Board of Directors on 23 March 2000 and signed on its behalf by



R F Pierce, Chairman

HOMEOWNERS INVESTMENT FUND MANAGERS LIMITED

NOTES TO THE ACCOUNTS

at 31 December 1999

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention.

Investments

OEICs held for resale at the balance sheet date have been valued at the published price.

Cash flow statement

The Company has taken advantage of the exemption given by FRS1 (revised 1996) to subsidiary undertakings where 90% or more of the voting rights are controlled within the group, by not preparing a cash flow statement. Details of the ultimate holding company are given in note 14 to the accounts.

Accounting standards

The accounts and notes have been prepared in accordance with applicable accounting standards.

2. TURNOVER

Turnover is derived from the sale of new units up to 21 November 1999 and shares in the OEIC thereafter within the United Kingdom and is stated net of discounts given.

3. OPERATING LOSS

	£	£
This is after charging:		
Auditor's remuneration - audit services	7,930	5,648
Costs associated with the OEIC conversion	48,805	-
	<u> </u>	<u> </u>

4. DIRECTORS' EMOLUMENTS

No emoluments were paid to the directors during the year.

5. STAFF COSTS

The Company does not employ any staff but utilises the services provided by the parent undertaking.

HOMEOWNERS INVESTMENT FUND MANAGERS LIMITED

NOTES TO THE ACCOUNTS

at 31 December 1999

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	1999	1998
	£	£
Bank deposit interest	6,235	11,514
Income from units held as current assets investments	-	246
	<u>6,235</u>	<u>11,760</u>

7. TAXATION

No corporation tax is due in respect of the activities of the company. The parent undertaking paid the company £172,000 for £381,157 of tax losses surrendered to it during the year. Accumulated tax losses amount to £181,494 which will be carried forward and offset against future years trading profits.

8. INVESTMENTS

	1999	1998
	£	£
Shares (1998 Units) held for resale	24,625	21,251
	<u>24,625</u>	<u>21,251</u>

9. DEBTORS

	1999	1998
	£	£
Expropriations	755,373	-
UK tax recoverable	-	136
Prepayments and accrued income	-	776
Other debtors	30,959	8,616
	<u>786,332</u>	<u>9,528</u>

HOMEOWNERS INVESTMENT FUND MANAGERS LIMITED

NOTES TO THE ACCOUNTS

at 31 December 1999

10. CREDITORS: amounts falling due within one year

	1999 £	1998 £
Trade creditors	-	7,901
Amounts owed to parent undertaking	845,250	32,562
Accruals	58,875	19,577
	<u>904,125</u>	<u>60,040</u>

11. SHARE CAPITAL

	1999 £	1998 £
Authorised		
Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, issued and fully paid		
Ordinary shares of £1 each	<u>600,000</u>	<u>600,000</u>

12. RECONCILIATION OF SHAREHOLDERS FUNDS' AND MOVEMENT ON RESERVES

	Share capital £	Profit and loss account £	Total £
At 1 January 1999	600,000	(442,987)	157,013
Profit for the year	-	52,336	52,336
	<u>600,000</u>	<u>(390,651)</u>	<u>209,349</u>

HOMEOWNERS INVESTMENT FUND MANAGERS LIMITED

NOTES TO THE ACCOUNTS at 31 December 1999

13. RELATED PARTY DISCLOSURE

The Company has taken advantage of the exemption given by FRS8 to subsidiary undertakings, 90% or more of whose voting rights are controlled within the group, by not disclosing information on related party transactions with entities that are part of the group, or investees of the group qualifying as related parties.

14. PARENT COMPANY

Homeowners Investment Fund Managers Limited is a wholly owned subsidiary of Homeowners Friendly Society Limited, a Friendly Society registered under The Friendly Societies Act 1992.