

REPORT AND ACCOUNTS

Homeowners Investment Fund Managers Limited

31 DECEMBER 2000



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

AUDITOR

Ernst & Young

PO Box 61

Cloth Hall Court

14 King Street

Leeds LS1 2JN

BANKERS

The Bank of New York

One Canada Square

London

E14 5AL

DEPOSITORY

The Bank of New York Trust and Depository Company Limited

One Canada Square

London

E14 5AL

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 2000.

PRINCIPAL ACTIVITY

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

REVIEW OF THE BUSINESS

The loss on ordinary activities after taxation amounted to £33,032.

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.

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

29 March 2001

HOMEOWNERS INVESTMENT FUND MANAGERS LIMITED

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; 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.

HOMEOWNERS INVESTMENT FUND MANAGERS LIMITED

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 in accordance with applicable United Kingdom Law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

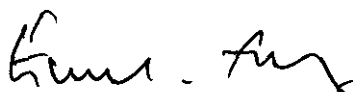
Basis of opinion

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 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Registered Auditor
Leeds

29 March 2001

HOMEOWNERS INVESTMENT FUND MANAGERS LIMITED**PROFIT AND LOSS ACCOUNT**
for the year ended 31 December 2000

	<i>Notes</i>	2000 £	1999 £
CONTINUING OPERATIONS			
Turnover	2	37,940	14,607,297
Cost of sales		38,087	14,605,257
		<hr/>	<hr/>
GROSS (LOSS) / PROFIT		(147)	2,040
Administrative expenses		(204,016)	(185,793)
Other operating income		156,813	57,854
		<hr/>	<hr/>
OPERATING LOSS	3	(47,350)	(125,899)
Interest receivable and similar income	6	14,318	6,235
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(33,032)	(119,664)
Tax on loss on ordinary activities	7	-	172,000
		<hr/>	<hr/>
(LOSS) / PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(33,032)	52,336
RETAINED LOSSES BROUGHT FORWARD		(390,651)	(442,987)
		<hr/>	<hr/>
RETAINED LOSSES CARRIED FORWARD		(423,683)	(390,651)
		<hr/> <hr/>	<hr/> <hr/>

There are no recognised gains or losses for 2000 other than the loss on ordinary activities shown above.

HOMEOWNERS INVESTMENT FUND MANAGERS LIMITED

BALANCE SHEET at 31 December 2000

	Notes	2000 £	1999 £
CURRENT ASSETS			
Investments	8	20,210	24,625
Debtors	9	27,843	786,332
Cash on deposit and current account		237,866	302,517
		<u>285,919</u>	<u>1,113,474</u>
CREDITORS:			
amounts falling due within one year	10	109,602	904,125
		<u>176,317</u>	<u>209,349</u>
NET CURRENT ASSETS			
		<u>176,317</u>	<u>209,349</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u><u>176,317</u></u>	<u><u>209,349</u></u>
CAPITAL AND RESERVES			
Called up share capital	11	600,000	600,000
Profit and loss account	12	(423,683)	(390,651)
		<u>176,317</u>	<u>209,349</u>
		<u><u>176,317</u></u>	<u><u>209,349</u></u>

The financial statements were approved by the Board of Directors on 29 March 2001 and signed on its behalf by

R F Pierce, Chairman

HOMEOWNERS INVESTMENT FUND MANAGERS LIMITED

NOTES TO THE ACCOUNTS

at 31 December 2000

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 shares in the OEIC within the United Kingdom and is stated net of discounts given.

3. OPERATING LOSS	2000	1999
	£	£
This is after charging:		
Auditor's remuneration - audit services	23,712	7,930
Costs associated with the OEIC conversion	4,464	48,805
	<u> </u>	<u> </u>

Audit services include the statutory audit of Homeowners Investment Fund Managers Limited, the audit of the OEIC sub funds, the audit of the IMRO returns and the audit of the PEP 14.

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 2000

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2000	1999
	£	£
Bank deposit interest	13,424	6,235
Income from units held as current asset investments	894	-
	<u>14,318</u>	<u>6,235</u>

7. TAXATION

No corporation tax is due in respect of the activities of the company. Corporation tax losses amount to £214,526 which will be carried forward and offset against future years trading profits.

8. INVESTMENTS

	2000	1999
	£	£
Shares held for resale	<u>20,210</u>	<u>24,625</u>

9. DEBTORS

	2000	1999
	£	£
Expropriations	11,348	755,373
UK tax recoverable	296	-
Other debtors	16,199	30,959
	<u>27,843</u>	<u>786,332</u>

HOMEOWNERS INVESTMENT FUND MANAGERS LIMITED

NOTES TO THE ACCOUNTS
at 31 December 2000

10. CREDITORS: amounts falling due within one year

	2000	1999
	£	£
Trade creditors	18,222	-
Amounts owed to parent undertaking	48,770	845,250
Accruals	42,610	58,875
	<u>109,602</u>	<u>904,125</u>

11. SHARE CAPITAL

	2000	1999
	£	£
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 2000	600,000	(390,651)	209,349
Loss for the year	-	(33,032)	(33,032)
	<u>600,000</u>	<u>(423,683)</u>	<u>176,317</u>

NOTES TO THE ACCOUNTS

at 31 December 2000

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.