736898

**Directors**

S. H. J. A. Knott *Chairman*
P. M. Allen FCA
B. A. Beverley
M. N. Kemp-Gee
S. J. B. Knott
J. D. Robertshaw FCA
J. V. Woollam

**Secretaries**

Discretionary Unit Fund Managers Limited

**Bankers**

Lloyds Bank plc

**Auditors**

Hope Agar

**Registrars**

Northern Registrars Limited

Registered in England No. 736898

# RIGHTS AND ISSUES INVESTMENT TRUST P.L.C.



## INTERIM REPORT 1997

## BALANCE SHEETS

as at 30th June 1997
and 31st December 1996

| | Company | | Group | |
|---|---|---|---|---|
| | **1997** | 1996 | **1997** | 1996 |
| | **£** | £ | **£** | £ |
| **Fixed assets** | | | | |
| Intangible assets | **–** | – | **125,738** | 130,396 |
| Investments | **22,480,951** | 19,550,088 | **22,049,478** | 19,118,616 |
| **Current assets** | | | | |
| Debtors | **278,215** | 351,087 | **335,949** | 326,428 |
| Investments | **–** | – | **14,059** | 13,847 |
| Cash at bank and in hand | **16,390** | 16,390 | **330,250** | 356,883 |
| | **294,605** | 367,477 | **680,258** | 697,158 |
| **Creditors:** amounts falling due within one year | **562,080** | 1,831,426 | **702,546** | 1,915,922 |
| **Net current liabilities/assets** | **(267,475)** | (1,463,949) | **(22,288)** | (1,218,764) |
| **Total assets less current liabilities** | **22,213,476** | 18,086,139 | **22,152,928** | 18,030,248 |
| **Capital and reserves** | | | | |
| Called up share capital | **1,225,000** | 1,225,000 | **1,225,000** | 1,225,000 |
| Share premium account | **225,326** | 225,326 | **225,326** | 225,326 |
| Capital reserve | **13,690,714** | 8,838,401 | **13,690,714** | 8,838,401 |
| Other reserves | **–** | – | **–** | – |
| Revaluation reserve | **6,486,224** | 7,439,979 | **6,486,224** | 7,439,979 |
| Dividend equalisation reserve | **586,212** | 357,433 | **525,664** | 301,542 |
| **Total shareholders' funds** | **22,213,476** | 18,086,139 | **22,152,928** | 18,030,248 |
| **Net asset value per share** | | | | |
| Income shares | | | **253.1p** | 204.8p |
| Capital shares | | | **959.0p** | 780.1p |

S.J.B. [signature] DIRECTOR
S.H.J.A. Knott Director

## CHAIRMAN'S STATEMENT

The UK equity market has seen the opening six months of 1997 impacted by the various building societies' conversion to banking status. This together with the buoyancy of international equity markets has meant that investors have focused on a few sectors and a narrow range of major stocks to the detriment of the smaller companies sector. The FT All-Share Index has risen by 8.6% outperforming small company indices by over 6%.

The dominant factor in the Trust's progress in the period was the successful disposal of the investment in Phosyn for £5,000,000 in February as has already been reported to shareholders. The Trust has also benefited from its significant involvement in the banking sector and the net asset value of the Capital shares has appreciated by 22.9%.

The interim dividend has been raised to 4.5p net per Income share and the Board expects, barring unforeseen circumstances, to pay a final dividend of not less than 10.5p net per Income share.

**Simon Knott**
*Chairman*

16th July 1997

### TOP TWELVE HOLDINGS

| Holding | Investment | Value |
|---|---|---|
| 550,000 | Bank of Scotland | 2,112,000 |
| 259,177 | Lloyds TSB Group | 1,596,530 |
| 900,000 | Chamberlin & Hill | 1,485,000 |
| 500,000 | RPS Group | 1,007,500 |
| 350,000 | Doeflex | 841,750 |
| 3,000,000 | Gardiner Group | 787,500 |
| 320,832 | Enterprise Inns | 741,122 |
| 652,510 | Titon Holdings | 737,336 |
| 990,000 | Shorco Group Holdings | 727,650 |
| 400,000 | Syltone | 578,000 |
| 3,075,000 | Eleco Holdings | 507,375 |
| 400,000 | Abbey National 10 3/8% NCP | 499,000 |

# CONSOLIDATED STATEMENT OF TOTAL RETURN

| | Six months ended 30th June 1997 | | | Six months ended 30th June 1996 | | | Twelve months ended 31st December 1996 | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Revenue £** | **Capital £** | **Total £** | Revenue £ | Capital £ | Total £ | Revenue £ | Capital £ | Total £ |
| Gains/(losses) on investments | (8,117) | 3,898,558 | 3,890,441 | 3,258 | 1,103,445 | 1,106,703 | (8,460) | 1,750,033 | 1,741,573 |
| Income | 696,827 | – | 696,827 | 489,767 | – | 489,767 | 1,027,002 | – | 1,027,002 |
| Investment management fee | – | – | – | – | – | – | – | – | – |
| Other expenses | 92,029 | – | 92,029 | 91,071 | – | 91,071 | 179,045 | – | 179,045 |
| **Net return before finance costs and taxation** | 596,681 | 3,898,558 | 4,495,239 | 401,954 | 1,103,445 | 1,505,399 | 839,497 | 1,750,033 | 2,589,530 |
| Interest payable and similar charges | 16,352 | – | 16,352 | 3,045 | – | 3,045 | 31,485 | – | 31,485 |
| **Return on ordinary activities before tax** | 580,329 | 3,898,558 | 4,478,887 | 398,909 | 1,103,445 | 1,502,354 | 808,012 | 1,750,033 | 2,558,045 |
| Tax on ordinary activities | 121,207 | – | 121,207 | 72,060 | – | 72,060 | 152,037 | – | 152,037 |
| **Return on ordinary activities after tax for the financial year** | 459,122 | 3,898,558 | 4,357,680 | 326,849 | 1,103,445 | 1,430,294 | 655,975 | 1,750,033 | 2,406,008 |
| Dividends and other appropriations in respect of non-equity shares | 5,500 | – | 5,500 | 5,500 | – | 5,500 | 11,000 | – | 11,000 |
| **Return attributable to equity shareholders** | 453,622 | 3,898,558 | 4,352,180 | 321,349 | 1,103,445 | 1,424,794 | 644,975 | 1,750,033 | 2,395,008 |
| Dividends in respect of equity shares | 229,500 | – | 229,500 | 189,500 | – | 189,500 | 537,261 | – | 537,261 |
| **Transfer to reserves after aggregate dividends paid and payable of £229,500 (1996: £189,500)** | 224,122 | 3,898,558 | 4,122,680 | 131,849 | 1,103,445 | 1,235,294 | 107,714 | 1,750,033 | 1,857,747 |
| **Return per Income Share (p)** | 13.2 | 39.6 | 52.8 | 8.6 | 11.2 | 19.8 | 17.2 | 17.8 | 35.0 |
| **Return per Capital Share (p)** | 7.9 | 178.3 | 186.2 | 6.7 | 50.5 | 57.2 | 13.5 | 80.0 | 93.5 |

The interim dividend of 4.5p net (1996: 3.5p net) per Income Share and amounting to £110,700 (1996: £86,100) is payable on 30th September 1997 to shareholders on the register as at 15th August 1997. The sum accruing by way of dividend to the Capital shareholders will, in view of the small sum involved, be included in the final dividend.

The unaudited interim results have been prepared on the basis of the accounting policies set out in the statutory accounts of the Company for the year ended 31st December 1996. The above statement of total return is presented as recommended by the Statement of Recommended Practice for Financial Statement of Investment Trust Companies.

These are not full statutory accounts in terms of Section 240 of the Companies Act 1985. The full audited accounts for the year to 31st December 1996, which were unqualified, have been filed with the Registrar of Companies.