AIM DISTRIBUTION TRUST PLC

INITIAL FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 1996

Registered Number : 3150868

AIM DISTRIBUTION TRUST

REPORT AND FINANCIAL STATEMENTS
For the period ended 30 SEPTEMBER 1996

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AIM DISTRIBUTION TRUST PLC

DIRECTORS' REPORT

The Directors present their report on the affairs of the Company together with the financial statements and report of the auditors for the period ended 30 September 1996

PRINCIPAL ACTIVITY, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The profit and loss account for the year is set out on page 5.

The Company was incorporated on 19 January 1996 and commenced activities on 4 May 1996.

The Company is an investment company as defined in Section 266 of the Companies Act 1985. The Company operates as a Venture Capital Trust and has been provisionally approved by the Inland Revenue as an authorised venture capital trust under section 842A of the Income and Corporation Taxes Act 1988. The Directors expect that the Company will continue with this activity for the foreseeable future.

The Directors consider the result for period to be satisfactory and the financial position at the end of the period to be sound.

RESULTS AND DIVIDENDS

The revenue profit for the period after taxation amounted to £181,461.

The total return on capital for the period was £90,454.

The directors recommend the payment of a dividend of 1.8p per share.

DIRECTORS AND THEIR INTERESTS

The directors of the company who held office during the period were:

R Zamboni (appointed 19 January 1996)
Sir A Brocklebank (appointed 19 January 1996)
S Goldsmith (appointed 13 February 1996)
C Powell (appointed 13 February 1996)

The directors at 30 September 1996 and their interests in the share capital of the Company were as follows:

	At 30 September 1996 Ordinary shares
R Zamboni	-
Sir A Brocklebank	10,000
S Goldsmith	10,000
C Powell	-

AIM DISTRIBUTION TRUST PLC

SHARE CAPITAL

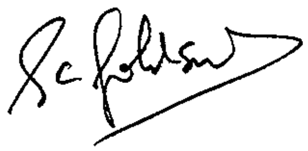
During the period the following 25p Ordinary shares at £1 were issued:

4 April 1996	7,137,659)	
10 April 1996	1,061,500)	under offer for subscription
29 April 1996	681,000)	
12 August 1996	6,000	
27 September 1996	671,554	

AUDITORS

Messrs Coopers & Lybrand were appointed as auditors by the directors during the period. A resolution to re-appoint Coopers & Lybrand will be put to the members at the Annual General Meeting.

BY ORDER OF THE BOARD



Director

AIM DISTRIBUTION TRUST PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires that where a distribution is proposed to be declared during a public company's first accounting reference period, or before any financial statements are laid before members in respect of that period, the Directors should prepare initial financial statements which give a true and fair view of the state of affairs of the Company. In preparing those financial statements 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 financial statements;
- prepare the financial statements 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 initial financial statements 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.

BY ORDER OF THE BOARD

Director

AIM DISTRIBUTION TRUST PLC

REPORT OF THE AUDITORS TO THE DIRECTORS OF AIM DISTRIBUTION TRUST PLC under section 273(4) of the Companies Act 1985

We have audited the financial statements on pages 5 to 12.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 3 the Company's directors are responsible for the preparation of the initial financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 initial financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the initial financial statements, 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 initial financial statements 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 initial financial statements.

OPINION

In our opinion, the initial financial statements for the period from 19 January 1996 to 30 September 1996 have been properly prepared in accordance with section 273 of the Companies Act 1985.

Coopers & Lybrand

COOPERS & LYBRAND
Chartered Accountants and Registered Auditors
London 2 December 1996

AIM DISTRIBUTION TRUST PLC

Statement of total return (incorporating the revenue account*) of the Company for the period 19 January 1996 to 30 September 1996

			1996	
	Notes	**Revenue** £	**Capital** £	**Total** £
Gains on investments	7	-	133,276	133,276
Income	2	284,587	-	284,587
Investment management incentive fee	3	(16,650)	(49,951)	(66,601)
Other expenses	4	(33,725)	-	(33,725)
Return on ordinary activities before tax		**234,212**	**83,325**	**317,537**
Tax on ordinary activities	6	(52,751)	7,129	(45,622)
Return attributable to shareholders		**181,461**	**90,454**	**271,915**
Dividends in respect of equity shares		(159,843)	-	(159,843)
Transfer to reserves		**21,618**	**90,454**	**112,072**
Return per ordinary share	5	2.0p	1.0p	3.0p

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

The notes on pages 7 to 12 form part of these financial statements.

Report of the auditors page 4.

AIM DISTRIBUTION TRUST PLC

BALANCE SHEET
As at 30 September 1996

	Notes	1996 £
FIXED ASSETS		
Investments	7	8,338,485
CURRENT ASSETS		
Debtors	8	343,781
Cash at bank		786,966
		1,130,747
CREDITORS: Amounts falling due within one year	9	(277,333)
NET ASSETS		9,191,899
		£
CAPITAL AND RESERVES		
Called up share capital	11	2,389,428
Share premium account	12	6,690,399
Other Reserves		
Capital reserve - realised	12	(40,434)
Capital reserve - unrealised	12	130,888
Revenue reserve	12	21,618
EQUITY SHAREHOLDERS' FUNDS	13	9,191,899
Net asset value per share		
Ordinary shares	14	96.17p

The financial statements on pages 5 to 12 were approved by the Board of directors on 29th November 1996 and signed on their behalf by:

) Director

The notes on pages 7 to 12 form part of these financial statements.

Report of the auditors page 4.

AIM DISTRIBUTION TRUST PLC

NOTES TO THE INITIAL FINANCIAL STATEMENTS
For the period ended 30 September 1996

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention in accordance with applicable UK accounting standards.

The principal accounting policies, all of which have been applied consistently throughout the period, are set out below.

(a) Valuation of investments

Quoted investments including those traded on the Alternative Investment Market, are valued at middle market price as at 30 September 1996.

The value of fixed interest securities is a directors' valuation based on the assumption that they will be held to maturity, to the extent such securities are purchased at a premium to nominal value. The premium is written off to capital over the remaining life of the security in such a way as to maintain a consistent return for the Trust over the period the securities are held.

Realised surpluses or deficits on the disposal of investments are taken to capital reserve - realised, and unrealised surpluses and deficits on the revaluation of investments are taken to capital reserve - unrealised.

(b) Income

Dividends receivable on quoted equity shares are brought into account on the ex-dividend date.

Fixed returns on non-equity shares are recognised on a time apportionment basis so as to reflect the effective yield on the shares

The fixed return on loan notes is recognised on a time apportionment bases from the date of purchase so as to reflect the effective yield on the loan note.

(d) Expenses

All expenses are accounted for on an accrual basis and are charged through the revenue account except the, management incentive fee which is allocated between capital and revenue account to reflect the nature of the work undertaken by the Manager in the period.

NOTES TO THE INITIAL FINANCIAL STATEMENTS
For the period ended 30 September 1996 (contd.)

(e) **Taxation**

Advance corporation tax (ACT) paid and payable is written off, except when recoverability is considered to be reasonably certain and foreseeable.
Imputed tax credits on franked investment income are treated as part of the taxation charge for the period.

2. INCOME

	1996
	£
Income from investments	
Franked investment income	113,984
UK unfranked investment income	105,179
	219,163
	£
Other income	
Deposit interest	65,424
	65,424
Total Income	284,587

3. INVESTMENT MANAGEMENT INCENTIVE FEE

	Revenue	**Capital**	**Total**
	£	**£**	**£**
Investment management incentive fee	16,650	49,951	66,601

In the period the management incentive fee has been allocated 75% to capital account and 25% to revenue account.

NOTES TO THE INITIAL FINANCIAL STATEMENTS
For the period ended 30 September 1996 (contd.)

4. OTHER EXPENSES

	1996 £
Management fee	10,000
Auditors' remuneration	5,288
Directors' emoluments	15,690
Other expenses	2,747
	33,725

5. RETURN PER ORDINARY SHARE

	Revenue p	Capital p	Total p
Basic	2.0	1.0	3.0

Basic revenue return per ordinary share is based on the net revenue on ordinary activities after taxation of £181,461 and on 9,040,244 ordinary shares, being the weighted average number of ordinary shares in issue during the period.

Basic capital return per ordinary share is based on net capital gains for the period of £90,454 and on 9,040,244 ordinary shares, being the weighted average number of ordinary shares in issue during the period

6. TAX ON ORDINARY ACTIVITIES

	Revenue £	Capital £	Total £
UK corporation tax at 24%	29,262	(11,988)	17,274
Tax attributable to franked investment income	22,797	-	22,797
Irrecoverable ACT written off	692	2,077	2,769
Deferred tax	-	2,782	2,782
	52,751	(7,129)	45,622

NOTES TO THE INITIAL FINANCIAL STATEMENTS

For the period ended 30 September 1996 (contd.)

7. INVESTMENTS

	Listed in UK £	Traded on the Alternative Investment Market £	Unlisted £	Total £
Opening valuation				-
Movements in the period:				
Purchases at cost	2,106,582	1,613,688	6,165,500	9,885,770
Amortisation to date			(37,956)	(37,956)
Sales - proceeds			(1,642,605)	(1,642,605)
Realised gains on sales			2,388	2,388
Unrealised appreciation	(46,582)	166,237	11,233	130,888
	2,060,000	1,779,925	4,498,560	8,338,485

8. DEBTORS

	1996 £
ACT recoverable	14,395
Accrued income	327,694
Other debtors	1,692
	343,781

9. CREDITORS: amounts falling due within one year

	1996 £
UK corporation tax payable	17,274
ACT payable	17,164
Proposed dividend	159,843
Accrued expenses	80,270
Deferred tax (Note 10)	2,782
	277,333

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NOTES TO THE INITIAL FINANCIAL STATEMENTS
For the period ended 30 September 1996 (contd.)

10. PROVISION FOR LIABILITIES AND CHARGES

	1996 £
At beginning of period	-
Deferred tax provision	2,782
At 30 September 1996	2,782

11. CALLED-UP SHARE CAPITAL

	1996 £
Authorised:	
23,800,000 ordinary shares of 25p	5,950,000
Allotted, called up and fully paid:	
9,557,713 ordinary shares of 25p	2,389,428

On 5th May 1996, Johnson Fry Holdings PLC was allotted 50,000 redeemable preference shares of £1 each, paid up as to one quarter so as to enable the Company to obtain a certificate under section 117 of the Companies Act 1985. Such shares were subsequently paid in full and have been redeemed in full by the Company out of the proceeds of issue of further shares following the offer for subscription.

12. RESERVES

	Share premium account £	Capital reserve-realised £	Capital reserve - unrealised £	Revenue reserve £
Beginning of period	-	-	-	-
Premium on issue of shares	7,168,285	-	-	-
Net gains on realisation of investments	-	2,388	-	-
Unrealised appreciation	-	-	130,888	-
Expenses of share issue	(477,886)	-	-	-
Costs charged to capital		(49,951)	-	-
Taxation on capital items	-	7,129	-	-
Retained net revenue for the period	-	-	-	21,618
End of period	6,690,399	(40,434)	130,888	21,618

AIM DISTRIBUTION TRUST PLC

NOTES TO THE INITIAL FINANCIAL STATEMENTS
For the period ended 30 September 1996 (contd.)

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1996 £
Opening shareholders' funds	-
Shares issued (net of expenses)	9,079,827
Total recognised gain and losses	112,072
Closing shareholders' funds	9,191,899

14. NET ASSET VALUE PER SHARE

	Net asset value per share attributable 1996 p	Net asset value attributable 1996 £
Ordinary shares (basic)	96.17	9,191,899

Report of the auditors page 4.