

PICCADILLY GROWTH TRUST PLC

INTERIM ACCOUNTS FOR THE PERIOD

01 MAY 1999 TO 31 OCTOBER 1999



PICCADILLY GROWTH TRUST PLC

STATEMENT OF TOTAL RETURN
(incorporating the revenue account *)

		6 Months To 31-Oct-99			Period ended 30-Apr-99		
	Notes	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
(Losses)/gains on investments	10	-	(170,809)	(170,809)	-	1,839,395	1,839,395
Exchange losses on currency		-	(5,403)	(5,403)	-	(15,819)	(15,819)
Income	2	138,586	-	138,586	101,280	-	101,280
Investment management fee	3	-	(68,560)	(68,560)	-	(75,225)	(75,225)
Other expenses	4	(35,368)	-	(35,368)	(47,012)	-	(47,012)
Return on ordinary activities before finance costs and before taxation		103,218	(244,772)	(141,554)	54,268	1,748,351	1,802,619
Interest payable and similar charges	6	(75)	(31,934)	(32,009)	-	(10,936)	(10,936)
Return on ordinary activities before taxation		103,143	(276,706)	(173,563)	54,268	1,737,415	1,791,683
Taxation on ordinary activities	7	(23,294)	7,005	(16,289)	(10,130)	1,283	(8,847)
Return on ordinary activities after taxation for the financial period		79,849	(269,701)	(189,852)	44,138	1,738,698	1,782,836
Dividends in respect of equity shares	8	(74,197)	-	(74,197)	(74,197)	-	(74,197)
Transfer to/(from) reserves		5,652	(269,701)	(264,049)	(30,059)	1,738,698	1,708,639
		Revenue	Capital	Total	Revenue	Capital	Total
Return per Ordinary share	9	0.97p	(3.27p)	(2.30p)	0.54p	21.09p	21.63p

The notes on pages 4 to 9 form part of these accounts.

* The revenue column of this statement is the revenue account of Company.
All revenue and capital items in the above statement derive from continuing operations.
No operations were acquired or discontinued in the period.

PICCADILLY GROWTH TRUST PLC

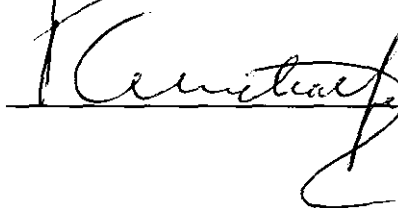
BALANCE SHEET

	Notes	As at 31-Oct-99 £	As at 30-Apr-99 £
Fixed assets			
Investments	10	10,413,275	10,557,772
Investment in subsidiary undertaking	12	2	-
		<u>10,413,277</u>	<u>10,557,772</u>
Current assets			
Debtors	13	46,829	43,307
Cash at bank		9,712	45,745
		<u>56,541</u>	<u>89,052</u>
Creditors - amounts falling due within one year			
Creditors	14	1,213,529	1,126,486
Dividends		74,197	74,197
		<u>1,287,726</u>	<u>1,200,683</u>
Net current liabilities		<u>(1,231,185)</u>	<u>(1,111,631)</u>
Net assets		<u>9,182,092</u>	<u>9,446,141</u>
Capital and reserves			
Called up share capital	17	82,441	82,441
Share premium account	18	2,826,804	2,826,804
Capital redemption reserve	18	1,500	1,500
Capital reserve - realised	18	4,727,051	4,674,252
- unrealised	18	1,469,639	1,792,139
Revenue reserve	18	74,657	69,005
Equity shareholders' funds	19	<u>9,182,092</u>	<u>9,446,141</u>
Net asset value per Ordinary share	20	111.31	114.58

The notes on pages 4 to 9 form part of these accounts.

These accounts have been prepared using the accounting standards and policies adopted at the year end.

These accounts were approved by the Board of Directors on 16 December 1999.



P G Metcalfe - Chairman

PICCADILLY GROWTH TRUST PLC

STATEMENT OF CASH FLOWS

		6 Months To 31-Oct-99	Period ended 30-Apr-99
	Notes	£	£
Operating activities			
Investment income received		120,665	82,357
Bank deposit interest received		2,061	20,038
Underwriting commission received		-	-
Other income		-	-
Investment management fee paid		(68,819)	(65,208)
Secretarial fee paid		(5,875)	(4,824)
Other cash payments		(31,117)	(185,754)
Net cash inflow/(outflow) from operating activities	21	<u>16,915</u>	<u>(153,391)</u>
Servicing of finance			
Interest paid		(31,983)	(8,314)
Net cash outflow from servicing of finance		<u>(31,983)</u>	<u>(8,314)</u>
Tax paid		<u>(12,687)</u>	<u>(1,515)</u>
Capital expenditure and financial investment			
Purchases of investments		(851,892)	(9,614,029)
Sales of investments		825,580	5,248,534
Realised exchange losses on settlement		(5,403)	(15,819)
Investment in subsidiary		(2)	-
Net cash outflow from financial investments		<u>(31,717)</u>	<u>(4,381,314)</u>
Equity dividends paid		<u>(74,197)</u>	<u>-</u>
Net cash outflow before financing		<u>(133,669)</u>	<u>(4,544,534)</u>
Financing			
Amounts drawn under revolving credit facility		125,000	1,050,000
Net cash inflow from financing		<u>125,000</u>	<u>1,050,000</u>
Decrease in cash	22	<u>(8,669)</u>	<u>(3,494,534)</u>

The notes on pages 4 to 9 form part of these accounts.

PICCADILLY GROWTH TRUST PLC

NOTES TO THE ACCOUNTS

at 31 October, 1999

I. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention as modified by the revaluation of fixed asset investments and are prepared in accordance with applicable Accounting Standards in the United Kingdom and in accordance with the Statement of Recommended Practice for Financial Statements of Investment Trust Companies.

Income recognition

- (i) Dividends receivable on quoted equity shares are brought into account on the ex-dividend date. The related tax credit is included where appropriate.
- (ii) Dividends receivable on equity shares where no ex-dividend is quoted are brought into account when the Company's right to receive payment is established.
- (iii) Underwriting commission is recognised as income in so far as it relates to shares not required to be taken up. Where a proportion of the shares underwritten is required to be taken up the same proportion of the commission received is treated as a deduction from the cost of the shares taken up, with the balance taken to revenue in the Statement of Total Return
- (iv) Other income is accounted for on an accruals basis.

Expenses

All expenses are accounted for on an accruals basis. All expenses are charged through the revenue account in the statement of total return except as follows:

- (i) expenses which are incidental to the acquisition of an investment are included within the cost of the investment.
- (ii) expenses which are incidental to the disposal of an investment are deducted from the disposal proceeds of the investment.
- (iii) expenses are charged to capital reserve (realised) where a connection with the maintenance or enhancement of the value of the investments can be demonstrated. In respect of the investment management fee and finance costs, 100% has been allocated to capital reserve (realised), being in line with the Boards expected long-term split of returns, in the form of capital gains and income respectively, from the investment portfolio of the Company.

Investments

Listed investments are included in the accounts at middle-market value at the close of business at the period end or, if the security is covered by a call option, the lower of middle-market valuation and exercise price. Interest accrued on fixed interest rate securities at the date of the purchase or sale is accounted for separately, as accrued income or as an income receipt so that the value or purchase price or sale price is shown net of such items.

Taxation

The charge for taxation is based on the revenue before taxation for the period. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is probable that a liability or asset will crystallise. Timing differences arise from the inclusion of items of income and expenditure in the tax computations in periods different from those in which they are included in the financial statements. Provision is made at the rate which is expected to be applied when the liability or asset is expected to crystallise. Advance corporation tax on dividends paid or proposed is written off only to the extent that in the opinion of the Directors it will not be recovered against the tax liability of the current or subsequent year. The tax effect of different items of income/gain and expenditure/loss is allocated between capital and revenue on the same basis as the particular item to which it relates, using the Company's effective rate of tax for the accounting period.

PICCADILLY GROWTH TRUST PLC

NOTES TO THE ACCOUNTS
at 31 October 1999

Capital reserves

Capital reserve (realised)

The following are accounted for in this reserve:

- (i) gains and losses on the realisation of the investments.
- (ii) realised exchange differences of a capital nature.
- (iii) expenses, together with related taxation effect, charged to this account in accordance with the above policies.

Capital reserve (unrealised)

The following are accounted for in this reserve:

- (i) increases and decreases in the valuation of the investments held at the period end.
- (ii) unrealised exchange differences on a capital nature.

Foreign currency translation

Transactions denominated in foreign currencies are recorded in the local currency at actual exchange rates as of the date of the transaction or, where appropriate, at the rate of exchange in a related forward exchange contract. Any gain or loss arising from a change in exchange rate subsequent to the date of the transaction is included as an exchange gain or loss in capital reserves or revenue account depending on whether the gain or loss is of a capital or revenue nature respectively. Differences arising on the revaluation of investments are included in the unrealised capital reserve.

2. INCOME

	6 Months To 31-Oct-99	Period ended 30-Apr-99
	£	£
Income from investments		
UK dividend income	69,282	48,160
Overseas unfranked investment income	67,742	33,387
Foreign income dividends	-	3,165
UK gilt interest	94	570
Other investment income	223	-
	<hr/> 137,341	<hr/> 85,282
Other income		
Bank interest receivable	1,245	15,998
Underwriting commission	-	-
	<hr/> 1,245	<hr/> 15,998
Total income	<hr/> 138,586	<hr/> 101,280
Total income comprises:		
Dividends	137,024	84,712
Interest	1,339	16,568
Other income	223	-
	<hr/> 138,586	<hr/> 101,280
Income from investments:		
Listed UK	69,376	51,895
Listed overseas	67,965	33,387
	<hr/> 137,341	<hr/> 85,282

3. INVESTMENT MANAGEMENT FEE

	6 Months To 31-Oct-99			Period ended 30-Apr-99		
	Revenue	Capital	Total	Revenue	Capital	Total
	£	£	£	£	£	£
Investment management fee	-	58,349	58,349	-	64,021	64,021
Irrecoverable VAT thereon	-	10,211	10,211	-	11,204	11,204
	<hr/> -	<hr/> 68,560	<hr/> 68,560	<hr/> -	<hr/> 75,225	<hr/> 75,225

PICCADILLY GROWTH TRUST PLC

NOTES TO THE ACCOUNTS

at 31 October 1999

4. OTHER EXPENSES	6 Months To 31-Oct-99 £	Period ended 30-Apr-99 £
Secretarial services	5,875	5,657
Auditors' remuneration for:		
audit	4,700	6,000
other	-	-
Directors' fees	12,500	14,263
Other	12,293	21,092
	35,368	47,012

All expenses disclosed above have been charged to revenue in the statement of total return.

5. DIRECTORS' REMUNERATION	6 Months To 31-Oct-99 £	Period ended 30-Apr-99 £
Total fees	12,500	14,263
<i>Remuneration to Directors</i>		
P G Metcalfe	5,000	5,645
A J Greenwell	3,750	4,375
C H B Mills	3,750	4,234

Included in the amounts shown above is the sum of £8,750 (1999 : £9,879) which was paid to third parties for making available services of Directors.

There are no share option schemes, long-term incentive schemes or pension schemes operated on behalf of any Director.

	6 Months To 31-Oct-99			Period ended 30-Apr-99		
	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
Bank overdraft	75	-	75	-	-	-
Multicurrency loan facility	-	31,934	31,934	-	10,936	10,936
	75	31,934	32,009	-	10,936	10,936

	6 Months To 31-Oct-99			Period ended 30-Apr-99		
	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
Tax attributable to UK dividends	6,928	-	6,928	6,044	-	6,044
Tax attributable to capitalised expenses	7,005	(7,005)	-	1,283	(1,283)	-
Overseas taxation suffered	9,361	-	9,361	2,803	-	2,803
	23,294	(7,005)	16,289	10,130	(1,283)	8,847

8. DIVIDENDS AND OTHER APPROPRIATIONS	6 Months To 31-Oct-99 £	Period ended 30-Apr-99 £
<i>Ordinary shares</i>		
First interim of 0.9p net (1999 : 0.00p net)	74,197	-
Final of 0.00p net (1999 : 0.9p net)	-	74,197
	74,197	74,197

PICCADILLY GROWTH TRUST PLC

NOTES TO THE ACCOUNTS

at 31 October 1999

9. RETURN PER SHARE

Ordinary Shares

Basic revenue return per Ordinary share is based on the net revenue on ordinary activities after taxation of £79,849 (1999 : £44,138), and on 8,244,107 (1999 : 8,244,107) Ordinary shares, being the number of Ordinary shares in issue during the period.

The capital return per Ordinary share is based on the net capital losses for the year of £269,701 (1999 : £1,738,698), and on 8,244,107 (1999 : 8,244,107) Ordinary shares, being the number of Ordinary shares in issue during the period.

10. INVESTMENTS

	As at 31-Oct-99 £	As at 30-Apr-99 £
Equities listed on a recognised international exchange	<u>10,413,275</u>	<u>10,557,772</u>
	Total	
	£	£
Opening book cost	8,765,633	1,892,873
Opening unrealised appreciation	<u>1,792,139</u>	<u>2,460,012</u>
Opening valuation	10,557,772	4,352,885
Movements in the period:		
Purchases at cost	851,892	9,614,029
Sales		
- proceeds	(825,580)	(5,248,537)
- realised gains on sales	151,691	2,507,268
Decrease in unrealised appreciation	<u>(322,500)</u>	<u>(667,873)</u>
Closing valuation	<u>10,413,275</u>	<u>10,557,772</u>
Closing book cost	8,943,636	8,765,633
Closing unrealised appreciation	<u>1,469,639</u>	<u>1,792,139</u>
	<u>10,413,275</u>	<u>10,557,772</u>
	6 Months To 31-Oct-99 £	Period ended 30-Apr-99 £
Realised gains on sales of investments	187,046	2,523,206
Realised exchange losses on sales of investments	(35,355)	(15,938)
Decrease in unrealised appreciation	<u>(322,500)</u>	<u>(667,873)</u>
(Losses)/gains on investments	<u>(170,809)</u>	<u>1,839,395</u>

11. SIGNIFICANT INTERESTS

The Company has no holdings of 3% or more in any of its investments

PICCADILLY GROWTH TRUST PLC

NOTES TO THE ACCOUNTS

at 31 October 1999

12. INVESTMENT IN SUBSIDIARY UNDERTAKING

The Company owns the whole of the issued ordinary share capital of Piccadilly Growth Trading Limited, a dealing company incorporated in Great Britain and registered in England and Wales, amounting to £2 (1999: £nil)

13. DEBTORS

	As at 31-Oct-99 £	As at 30-Apr-99 £
Sales for future settlement	-	-
Dividends receivable	12,390	26,099
Taxation recoverable	24,343	3,767
ACT recoverable	9,591	9,591
Prepayments and accrued income	505	3,850
	<u>46,829</u>	<u>43,307</u>

14. CREDITORS - amounts falling due within one year

	As at 31-Oct-99 £	As at 30-Apr-99 £
Bank overdraft	2,496	29,860
Bank loan	1,175,000	1,050,000
Purchases for future settlement	-	-
Corporation tax	4,675	10,884
Amounts owed to subsidiary	2	-
Other creditors	31,356	35,742
	<u>1,213,529</u>	<u>1,126,486</u>

On 27 January 1999, the company entered into an unsecured £2,000,000 multi-currency loan facility with Flemings (Robert Fleming & Co Limited). £1,175,000 has been drawn down under this facility, and is repayable on 18 November 1999. Interest is incurred at a variable rate as agreed at the time of draw down and is payable at the maturity date of each advance.

15. PROVISION FOR LIABILITIES AND CHARGES

No provision for liabilities and charges is considered necessary at the Company's period end. There were no amounts unprovided in respect of deferred taxation.

16. CONTINGENT LIABILITIES

At the period end there were no outstanding commitments in respect of investments carrying an obligation for future subscriptions (1999 : Nil).

17. CALLED UP SHARE CAPITAL

	As at 31-Oct-99 £	As at 30-Apr-99 £
<i>Authorised:</i>		
11,150,000 Ordinary Shares of 1p each	<u>111,500</u>	<u>111,500</u>
<i>Allotted, issued and fully paid:</i>		
8,244,107 Ordinary Shares of 1p each	<u>82,441</u>	<u>82,441</u>

18. RESERVES

	Share premium account £	Capital redemption reserve £	Capital reserve realised £	Capital reserve unrealised £	Revenue reserve £
Beginning of period	2,826,804	1,500	4,674,252	1,792,139	69,005
Gains on realisation of investments	-	-	187,046	-	-
Exchange losses on realisation of investments	-	-	(35,355)	-	-
Movement in unrealised appreciation	-	-	-	(322,500)	-
Costs charged to capital	-	-	(100,494)	-	-
Tax relief on costs charged to capital	-	-	7,005	-	-
Exchange losses on currency	-	-	(5,403)	-	-
Retained net revenue for the period	-	-	-	-	5,652
	<u>2,826,804</u>	<u>1,500</u>	<u>4,727,051</u>	<u>1,469,639</u>	<u>74,657</u>

PICCADILLY GROWTH TRUST PLC

NOTES TO THE ACCOUNTS

at 31 October 1999

19. SHAREHOLDERS' FUNDS RECONCILIATION OF MOVEMENTS IN:	6 Months To 31-Oct-99 £	Period ended 30-Apr-99 £
Net revenue for the period	79,849	44,138
Dividend proposed	(74,197)	(74,197)
Transfer to revenue reserve	5,652	(30,059)
Net capital (losses)/gains for the period	(269,701)	1,738,698
Net (depletion)/addition to shareholders' funds	(264,049)	1,708,639
Opening shareholders' funds	9,446,141	7,737,502
Closing shareholders' funds	9,182,092	9,446,141

20. NET ASSET VALUE PER SHARE

The net asset value per share and the net asset values attributable to each class of share at the period end, excluding the current period revenue reserve, calculated in accordance with the Articles of Association were as follows:

	Net asset value per share attributable		Net asset values attributable	
	31-Oct-99	30-Apr-99	31-Oct-99	30-Apr-99
Ordinary shares	111.31p	114.58	9,176,440	9,446,141

The period end net assets attributable have been reduced by the current period revenue.

21. RECONCILIATION OF NET REVENUE TO NET CASH INFLOW FROM OPERATING ACTIVITIES	6 Months To 31-Oct-99 £	Period ended 30-Apr-99 £
Income before interest payable and taxation	103,218	54,268
Investment management fee charged to capital	(68,560)	(75,225)
(Decrease/(increase) in creditors	(4,412)	(130,331)
Decrease in debtors	17,054	10,800
Tax on franked investment income	(6,928)	(6,044)
Overseas tax paid by deduction	(23,457)	(6,859)
	16,915	(153,391)

22. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT	6 Months To 31-Oct-99 £	Period ended 30-Apr-99 £
Decrease in cash in period	(8,669)	(3,494,534)
Net advance of short term loan	(125,000)	(1,050,000)
Increase in net debt for period	(133,669)	(4,544,534)
Net debt at 01 May 1999	(1,034,115)	3,510,419
Net debt at 31 October 1999	(1,167,784)	(1,034,115)

23. ANALYSIS OF CHANGES IN NET DEBT	30-Apr-99 £	Cash flow £	31-Oct-99 £
Cash at bank	45,745	(36,033)	9,712
Overdraft	(29,860)	27,364	(2,496)
Debt due within one year	(1,050,000)	(125,000)	(1,175,000)
	(1,034,115)	(133,669)	(1,167,784)