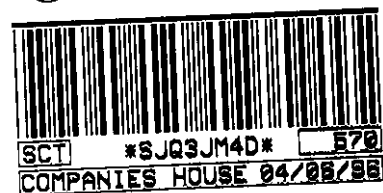


STANDARD LIFE
TRUST MANAGEMENT LIMITED

REPORT AND ACCOUNTS
FOR THE YEAR ENDED
15 NOVEMBER 1995



Registered in Scotland Number SC75550

REPORT AND ACCOUNTS

STANDARD LIFE TRUST MANAGEMENT LIMITED

Directors : J F H Trott, BA (Chairman)
G A Ball, FCA
I C Lumsden, MA FFA
J Stretton, BA FFA

Chief
Executive : A C Burton, ACII

Secretary : D D Fotheringham, FFA

Registered in Scotland Number SC75550

STANDARD LIFE TRUST MANAGEMENT LIMITED

REPORT BY THE DIRECTORS

The directors submit their Report and Accounts for the year ended 15 November 1995.

Annual General Meeting

As permitted by Section 366A of the Companies Act 1985, the Company has passed an elective resolution to dispense with the holding of an annual general meeting.

Result and dividend

	£
The loss after tax for the financial year was	(26,583)
Balance brought forward	1,716,069
	<u>1,689,486</u>

The directors do not recommend the payment of a dividend for the year. The directors consider the results to be satisfactory. The loss for the year has been transferred to reserves.

Principal activities and business review

The principal activity of the Company is to manage unit trusts. During the year the management of the Standard Life UK Equity High Income Trust and the Standard Life Managed Trust was transferred to Standard Life Fund Management Limited. At the end of the year the Company managed eight unit trusts and the total number of unitholders in these trusts was approximately 5200.

The Company will continue its work as manager.

Directors and their interests

The directors, who were in office throughout the year, are shown on page 1.

The appointment of directors is not subject to retirement by rotation. None of the directors has a beneficial interest in the shares of the Company, which is a wholly owned subsidiary of The Standard Life Assurance Company.

Auditors

The auditors, Price Waterhouse, Chartered Accountants, are willing to continue in office.

On behalf of the Board of Directors



D D Fotheringham, Secretary

Edinburgh, 27 February 1996

STANDARD LIFE TRUST MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 15 November 1995

	Notes	1995 £	1994 £
Turnover	2	1,601,432	5,227,403
Administrative expenses	3	1,610,998	4,446,914
Operating (loss)/profit		(9,566)	780,489
Interest payable to parent undertaking		48,631	53,436
(Loss)/profit on ordinary activities before taxation		(58,197)	727,053
Taxation	5	(31,614)	206,649
(Loss)/profit on ordinary activities after taxation		(26,583)	520,404
Balance brought forward		1,716,069	1,195,665
Balance carried forward		1,689,486	1,716,069

There are no recognised gains or losses other than the profit for the year.

The loss for the year relates wholly to continuing activities.

The Notes on pages 6 to 8 are an integral part of these Accounts.

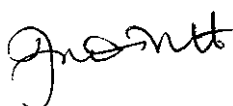
STANDARD LIFE TRUST MANAGEMENT LIMITED

BALANCE SHEET

on 15 November 1995

	Notes	1995 £	1994 £
CURRENT ASSETS			
Stock of units in Standard Life unit trusts		472,858	625,856
Debtors	7	2,519,542	2,488,803
Cash at bank and on deposit	8	50,000	50,000
		3,042,400	3,164,659
CURRENT LIABILITIES			
Creditors - Amounts falling due within one year	9	1,302,914	1,398,590
NET CURRENT ASSETS		1,739,486	1,766,069
TOTAL ASSETS LESS CURRENT LIABILITIES		1,739,486	1,766,069
CAPITAL AND RESERVES			
Called up share capital	10	50,000	50,000
Profit & loss account		1,689,486	1,716,069
	11	1,739,486	1,766,069

On behalf of the Board of Directors



J F H Trott Director

Edinburgh, 27 February 1996

The Notes on pages 6 to 8 are an integral part of these Accounts.

STANDARD LIFE TRUST MANAGEMENT LIMITED

CASH FLOW STATEMENT

for the year ended 15 November 1995

	Notes	£	1995 £	£	1994 £
Net cash (outflow)/inflow from operating activities	12(a)		(844,189)		2,226,357
Net cash outflow from servicing of finance			(48,631)		(53,436)
Taxation					
Income tax paid		(324)		-	
Corporation tax paid		(154,756)		(539)	
Tax credits paid		(20,811)		(51,892)	
Net cash outflow from taxation			(175,891)		(52,431)
Net cash (outflow)/inflow before financing			(1,068,711)		2,120,490
(Decrease)/increase in cash and cash equivalents	12(b)		(1,068,711)		2,120,490

The Notes on pages 6 to 8 are an integral part of these Accounts.

STANDARD LIFE TRUST MANAGEMENT LIMITED

NOTES ON THE ACCOUNTS

1. ACCOUNTING POLICIES

(a) Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

(b) Stock of units

These are held by the managers for the purpose of unit trust trading and are valued at the lower of cost and net realisable value.

2. TURNOVER

Turnover, which is stated net of VAT, is analysed as follows:

	1995 £	1994 £
Management remuneration	25,832,292	27,609,306
Less rebate of annual charge	24,230,998	22,775,222
	<hr/>	<hr/>
	1,601,294	4,834,084
(Loss)/profit on dealing	(177,393)	18,287
Registrar's fees	71,829	115,492
Distributions from unit trusts	105,702	259,540
	<hr/>	<hr/>
	1,601,432	5,227,403

Management remuneration is derived from acting as managers of unit trusts.

Profit on dealing represents the profit on transactions in units, including preliminary charge, and after deduction of investment bonus and stamp duty.

3. ADMINISTRATIVE EXPENSES

The Company has no employees (1994 Nil) and is managed by the parent undertaking. Expenses met by the parent undertaking are recovered through administrative and management charges.

4. AUDITORS' REMUNERATION

Auditors' remuneration amounted to £12,500 (£12,000) in respect of audit services and £2,100 (£2,000) in respect of other services.

5. TAXATION

	1995 £	1994 £
Tax relating to franked investment income	20,811	51,892
Corporation tax (recoverable)/payable at 33% (33%)	(52,425)	154,757
	<hr/>	<hr/>
	(31,614)	206,649

6. DIRECTORS' EMOLUMENTS

No emoluments are payable to the directors in respect of their services to the Company.

STANDARD LIFE TRUST MANAGEMENT LIMITED

NOTES ON THE ACCOUNTS (Cont'd)

7. DEBTORS

	1995 £	1994 £
Management remuneration receivable	2,264,235	2,234,346
Taxation recoverable	239,663	186,915
Sundry outstanding amounts	15,644	67,542
	<u>2,519,542</u>	<u>2,488,803</u>

8. CASH AT BANK AND ON DEPOSIT

Cash at bank and on deposit comprises £50,000 on deposit with The Standard Life Assurance Company on which no interest is payable.

9. CREDITORS - Amounts falling due within one year

	1995 £	1994 £
Due to unit trusts	-	874,663
Amount due to parent undertaking	1,277,258	208,547
Amounts due to unitholders	12,222	152,842
Accruals	13,434	7,781
Taxation	-	154,757
	<u>1,302,914</u>	<u>1,398,590</u>

10. CALLED UP SHARE CAPITAL

	Authorised	Allotted, Called up and Fully Paid			
		1995		1994	
		No	Value	No	Value
Ordinary shares of £1 each	<u>£50,000</u>	<u>50,000</u>	<u>£50,000</u>	<u>50,000</u>	<u>£50,000</u>

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1995 £	1994 £
Loss for the year	(26,583)	520,404
Opening shareholders' funds	<u>1,766,069</u>	<u>1,245,665</u>
Closing shareholders' funds	<u>1,739,486</u>	<u>1,766,069</u>

STANDARD LIFE TRUST MANAGEMENT LIMITED

NOTES ON THE ACCOUNTS (Cont'd)

12. CASH FLOW STATEMENT

(a) Reconciliation of operating profit to net cash inflow/(outflow) from operating activities

	1995 £	1994 £
Operating (loss)/profit	(9,566)	780,489
Decrease in stock of units	152,998	538,532
Decrease in debtors	22,009	167,312
(Decrease)/increase in creditors	(1,009,630)	740,024
Net cash (outflow)/inflow from operating activities	<u>(844,189)</u>	<u>2,226,357</u>

(b) Analysis of changes in cash and cash equivalents during the year

	£
Balance at 16 November 1994	(158,547)
Net cash outflow	<u>(1,068,711)</u>
Balance at 15 November 1995	<u>(1,227,258)</u>

(c) Analysis of the balances of cash and cash equivalents as shown in the Balance Sheet

	1995 £	1994 £	Change in Year £
Cash at bank and on deposit	50,000	50,000	-
Current account with parent undertaking	<u>(1,277,258)</u>	<u>(208,547)</u>	<u>(1,068,711)</u>
	<u>(1,227,258)</u>	<u>(158,547)</u>	<u>(1,068,711)</u>

13. PARENT UNDERTAKING

The Company is a wholly owned subsidiary of The Standard Life Assurance Company which is registered in Scotland.

Copies of the accounts of the parent undertaking can be obtained at 3 George Street, Edinburgh EH2 2XZ.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial year 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 addition, the directors should take all reasonable steps to ensure that adequate accounting records are maintained, that the assets of the Company are safeguarded and that fraud and other irregularities are prevented or detected.

The directors are of the opinion that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of the accounts of the Company for the year ended 15 November 1995 on a going concern basis and that applicable accounting standards have been followed.

AUDITORS' REPORT TO THE MEMBERS OF STANDARD LIFE TRUST MANAGEMENT LIMITED

We have audited the accounts on pages 3 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described above 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 the 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 the Company's affairs as at 15 November 1995 and of its loss and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Price Waterhouse
Chartered Accountants
and Registered Auditors

EDINBURGH, 27 February 1996.