



PEAT 890308 / 12
MARWICK

HAMBROS BANK UNIT TRUST MANAGERS LIMITED

DIRECTORS' REPORT AND ACCOUNTS

31ST MARCH, 1985



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PEAT, MARWICK, MITCHELL & CO.
1 Puddle Dock, Blackfriars, London, EC4V 3PD



PEAT, MARWICK, MITCHELL & CO.

DIRECTORS' REPORT

The directors present their annual report and the audited accounts for the year ended 31st March, 1985.

PRINCIPAL ACTIVITIES

The company acts as manager of authorised unit trusts.

BUSINESS REVIEW

The company manages seven authorised unit trusts three of which were launched during the year. The total value of funds under management at the year end amounted to £24.2m.

The directors intend to develop the level of business activity during the remainder of 1985 and beyond.

RESULTS

The results for the year are set out on page 4. The directors do not propose the payment of a dividend.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were:

P. D. Hill-Wood	(Chairman)
J. W. D. Olivier	(Managing Director)
D. F. Carnegie	
J. R. G. Comyn	
J. S. Cumming	
D. P. Gibbs	
R. A. Hambro	(appointed 1st October, 1984)

No director had any beneficial interest in the shares of the company during the year.

The beneficial interests of the directors in shares of other group companies were as follows:

(a)	<u>Hambros PLC</u>			
	As at 31st March 1985		As at 1st April 1984 or at the date of election to the Board, if later	
	<u>Limited voting shares of 5p each</u>			
	<u>Fully Paid</u>	<u>0.5p paid</u>	<u>Fully paid</u>	<u>0.5p paid</u>
P. D. Hill-Wood	3,956	87,500	2,784	107,500
J. W. D. Olivier	3,956	12,500	2,784	12,500
D. F. Carnegie	2,468	-	1,678	-
J. R. G. Comyn	2,514	-	1,801	-
J. S. Cumming	3,956	-	2,784	10,000
D. P. Gibbs	3,956	-	2,784	15,000
R. A. Hambro	2,076	-	2,076	-

HAMBROS BANK UNIT TRUST MANAGERS LIMITEDDIRECTORS' REPORTDIRECTORS AND THEIR INTERESTS (continued)

- (b) Interests in respect of options granted under the "Hambros Bank Senior Executive Share Scheme 1984", to subscribe for ordinary shares of 5p each, in Hambros PLC (exercisable between 1st August, 1987 and 31st July, 1994 at a subscription price of 123p).

The comparative figures are options granted under the "Hambros Bank Senior Executive Share Scheme 1983", this scheme was cancelled during the year and replaced by the 1984 scheme.

	As at 31st March 1985	As at 1st April 1984 or at the date of election to the Board, if later
P. D. Hill-Wood	110,000	110,000
J. W. D. Olivier	50,000	50,000
J. S. Cumming	50,000	50,000
D. P. Gibbs	75,000	75,000
R. A. Hambro	50,000	-

- (c) Interests in respect of options granted under the Hambros Bank "Save As You Earn" Share Option Scheme 1983 to subscribe for limited voting shares of 5p each in Hambros PLC.

Options were granted on 14th October, 1983 at a price of 112.5p and are exercisable between 1988 and 1990.

	<u>Number of shares</u>
P. D. Hill-Wood	4,266
J. S. Cumming	3,466
D. P. Gibbs	4,266
R. A. Hambro	3,466

AUDITORS

In accordance with Section 14 of the Companies Act 1976, a resolution for the re-appointment of Peat, Marwick, Mitchell & Co., as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board,



Secretary

27 JUN 1985

51 Bishopsgate,
London,
EC2P 2AA

REPORT OF THE AUDITORS TO THE MEMBERS OF
HAMBROS BANK UNIT TRUST MANAGERS LIMITED

We have audited the accounts on pages 4 to 8, in accordance with approved Auditing Standards.

In our opinion the accounts, which have been prepared on the basis of the accounting policies set out in note 1 on page 7, give a true and fair view of the state of the company's affairs at 31st March, 1985 and of its profit and source and application of funds for the year to that date and comply with the Companies Acts 1948 to 1981.

27 JUN 1985

LONDON

For, on behalf, and in the presence of

Chartered Accountants

HAMBROS BANK UNIT TRUST MANAGERS LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1985

	<u>NOTE</u>	<u>1985</u>	<u>1984</u>
		<u>£</u>	<u>£</u>
TURNOVER	2	16,474,015	9,754,444
Cost of Sales		<u>(15,797,338)</u>	<u>(9,426,555)</u>
GROSS PROFIT		676,677	327,889
Distribution and selling costs		(354,492)	(117,965)
Administrative expenses		(314,941)	(203,398)
Other operating income		40,778	5,231
Other interest receivable		<u>23,663</u>	<u>19,427</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	71,685	31,184
Tax on profit on ordinary activities	6	<u>(38,711)</u>	<u>(16,589)</u>
PROFIT FOR THE FINANCIAL YEAR		32,974	14,595
Retained profit brought forward		<u>135,241</u>	<u>120,646</u>
RETAINED PROFIT CARRIED FORWARD		<u>168,215</u>	<u>135,241</u>
		=====	=====

The notes on pages 7 and 8 form part of these accounts.

HAMBRO'S BANK UNIT TRUST MANAGERS LIMITEDBALANCE SHEET AT 31ST MARCH, 1985

	<u>NOTE</u>	<u>1985</u>	<u>1984</u>
		<u>£</u>	<u>£</u>
CURRENT ASSETS			
Stocks of units		305,161	38,726
Debtors	7	698,578	450,940
Cash at bank with group company as bankers		<u>-</u>	<u>56,650</u>
		1,003,739	546,316
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	8	<u>(785,524)</u>	<u>(361,075)</u>
NET ASSETS		<u>218,215</u>	<u>185,241</u>
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	9	50,000	50,000
Profit and loss account		<u>168,215</u>	<u>135,241</u>
		218,215	185,241
		=====	=====

The notes on pages 7 and 8 form part of these accounts.

These accounts were approved by the
board of directors on 27 JUN 1985

P. A. Min. Wood,
 F. M. Oliver } Directors

HAMBROS BANK UNIT TRUST MANAGERS LIMITED
STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31ST MARCH, 1985

	<u>1985</u>	<u>1984</u>
	<u>£</u>	<u>£</u>
FUNDS GENERATED FROM OPERATIONS		
Profit on ordinary activities before taxation	71,685	31,184
APPLICATION OF FUNDS		
Group relief payment	(16,180)	(4,196)
Tax Paid	<u>(1,853)</u>	<u>(231)</u>
	<u>(18,033)</u>	<u>(4,427)</u>
INCREASE IN WORKING CAPITAL	53,652	26,757
	=====	=====
COMPONENTS OF INCREASE IN WORKING CAPITAL		
Stock of units	266,435	38,726
Debtors	247,638	450,402
Creditors: Amounts falling due within one year	(388,217)	(344,895)
Movement in net liquid funds:		
Decrease in cash at bank	<u>(72,204)</u>	<u>(117,476)</u>
	53,652	26,757
	=====	=====

HAMBROS BANK UNIT TRUST MANAGERS LIMITEDNOTES TO THE ACCOUNTS1. PRINCIPAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's accounts:

(a) Basis of accounting

The accounts have been prepared under the historical cost accounting rules.

(b) Stocks of units

Stocks of units are held for sale or liquidation and are stated at the lower of cost and market value (bid price).

(c) Income recognition

Income is accounted for on the accrual basis except for investment income which is accounted for on receipt.

2. TURNOVER

Turnover represents the proceeds from the sale of units, net of discounts, and remuneration from managing the trusts.

3. STAFF NUMBERS AND COSTS

The company does not employ any staff other than directors. The company does not have any payroll costs as all the administrative work of the company is carried out by an independent unit trust administration company in return for an administration fee.

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging or (crediting) the following:

	<u>1985</u>	<u>1984</u>
	<u>£</u>	<u>£</u>
Auditors' remuneration and expenses	3,600	3,000
Franked investment income	(6,175)	(771)
Deposit interest received from another group company	(23,663)	(19,427)
	=====	=====

5. EMOLUMENTS OF DIRECTORS

None of the directors received any remuneration during the year (1984: ENIL).

HAMBROS BANK UNIT TRUST MANAGERS LIMITEDNOTES TO THE ACCOUNTS(continued)6. TAXATION

	<u>1985</u>	<u>1984</u>
	<u>£</u>	<u>£</u>
Corporation Tax payable at 45% (1984: 50%) based on the profit for the year:		
Group Relief	31,540	16,180
Tax credit on franked investment income	1,853	231
Under provision for previous year	<u>5,318</u>	<u>178</u>
	<u>38,711</u>	<u>16,589</u>
	=====	=====

7. DEBTORS

	<u>1985</u>	<u>1984</u>
	<u>£</u>	<u>£</u>
Debtors for units sold	622,338	416,810
Amounts owed by group companies	5,829	426
Other debtors	<u>70,411</u>	<u>33,704</u>
	<u>698,578</u>	<u>450,940</u>
	=====	=====

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1985</u>	<u>1984</u>
	<u>£</u>	<u>£</u>
Bank overdraft with group company as bankers	15,554	-
Creditors for units repurchased	195,740	34,754
Amount due to trustees	263,778	150,683
Amounts owed to group companies	253,038	166,180
Other creditors	39,492	3,078
Accruals and deferred income	<u>17,922</u>	<u>6,380</u>
	<u>785,524</u>	<u>361,075</u>
	=====	=====

9. SHARE CAPITAL

	<u>1985</u>	<u>1984</u>
	<u>£</u>	<u>£</u>
Authorised, allotted, called up and fully paid		
50,000 ordinary share of £1 each	<u>50,000</u>	<u>50,000</u>
	=====	=====

10. ULTIMATE HOLDING COMPANY

The company's ultimate holding company is Hambros PLC a company incorporated in Great Britain.