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HAMBROS UNIT TRUST MANAGERS LIMITED  
(formerly HAMBROS BANK UNIT TRUST MANAGERS LIMITED)  
DIRECTORS' REPORT AND ACCOUNTS  
31ST MARCH, 1989

1989  
HOUSE  
30

PEAT MARWICK McLINTOCK  
1 Puddle Dock, Blackfriars, London EC4V 3PD

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HAMBROS UNIT TRUST MANAGERS LIMITED  
(formerly HAMBROS BANK UNIT TRUST MANAGERS LIMITED)

OFFICERS AND PROFESSIONAL ADVISERS

Directors:	P.D. Hill-Wood (Chairman)
	J.W.D. Olivier (Managing Director)
	J.F.S. Akerman
	R.H. Bamber
	D.F. Carnegie
	D.P. Gibbs
	N.McG. Moore
Secretary:	F.B. Hyland
Registered Office:	41 Tower Hill, London, EC3N 4HA.
Auditors:	Peat Marwick McLintock Chartered Accountants, 1 Puddle Dock, Blackfriars, London, EC4V 3PD.
Registered number:	890308 Incorporated in England

HAMBROS UNIT TRUST MANAGERS LIMITED  
(formerly HAMBROS BANK UNIT TRUST MANAGERS LIMITED)

DIRECTORS' REPORT

The directors present their annual report and the audited accounts for the year ended 31st March, 1989.

PRINCIPAL ACTIVITIES

The company acts as manager of authorised unit trusts.

BUSINESS REVIEW

The company manages twelve authorised unit trusts. The total value of funds under management at the year end amounted to £120 million (1988: £113 million).

The directors intend to develop the level of business activity during the remainder of 1989 and beyond.

RESULT

The results for the year are set out on page 6. The directors recommend the payment of a dividend of £6 per share.

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.S. Cumming	(resigned 31st December, 1988)
D.P. Gibbs	
J.F.S. Akerman	
R.H. Bamber	
N.M. Moore	

In accordance with the Articles of Association, Mr D.F. Carnegie and Mr. P.D. Hill-Wood will retire by rotation and will be offering themselves for re-election.

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

HAMBROS UNIT TRUST MANAGERS LIMITED  
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DIRECTORS' REPORT

DIRECTORS AND THEIR INTERESTS (continued)

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

(a) Interests in the shares of Hambros PLC

	At 31st March, 1989 ordinary shares of 20p each	At 31st March, 1988 ordinary shares of 20p each
P.D. Hill-Wood	57,348	56,595
J.W.D. Olivier	11,848	11,095
D.F. Carnegie	3,900	3,872
D.P. Gibbs	5,468	4,715
J.F.S. Akerman	1,563	810
R.H. Bamber	7,006	2,787
N.M. Moore	770	-

(b) Options granted under the "Hambros Bank Senior Executive Share Scheme 1984" to subscribe for ordinary shares of 20p each in Hambros PLC

	At 31st March, 1989 ordinary shares of 20p each
P.D. Hill-Wood	145,000
J.W.D. Olivier	20,000
D.P. Gibbs	35,000
J.F.S. Akerman	20,000
N.M. Moore	40,000

The above options are exercisable at various dates between now and 1998 at prices of between 123p and 333p.

(c) Options granted under the "Hambros Save As You Earn Share Option Scheme 1983" to subscribe for ordinary shares of 20p each in Hambros PLC

	Number of shares
P.D. Hill-Wood	4,266
J.W.D. Olivier	4,685
D.P. Gibbs	6,346
J.F.S. Akerman	2,969
R.H. Bamber	2,936
N.M. Moore	3,652

The above options are exercisable at various dates between 1990 and 1996 at prices of between 112.5p and 281p.

HAMBROS UNIT TRUST MANAGERS LIMITED  
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DIRECTORS' REPORT

FINANCIAL SERVICES ACT 1986

The company is a member of both the Investment Management Regulatory Organisation Limited (IMRO) and the Life Assurance and Unit Trust Regulatory Organisation (LAUTRO).

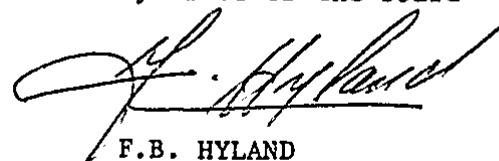
CHANGE OF NAME

On 3rd April, 1989 the company changed its name to Hambros Unit Trust Managers Limited.

AUDITORS

Under the provisions of Section 384 of the Companies Act 1985, the auditors, Peat Marwick McLintock, have indicated their willingness to continue in office and a resolution for their re-appointment and remuneration will be proposed at the forthcoming Annual General Meeting.

By order of the board



F.B. HYLAND

Secretary

41 Tower Hill.  
London, EC3N 4HA.

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

We have audited the financial statements on pages 6 to 11 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st March, 1989 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

LONDON

27 June , 1989

*For Marshall McLintock*  
PEAT MARWICK McLINTOCK

Chartered Accountants

HAMBROS UNIT TRUST MANAGERS LIMITED  
 (formerly HAMBROS BANK UNIT TRUST MANAGERS LIMITED)

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST MARCH, 1989

	<u>Note</u>	<u>1989</u> £	<u>1988</u> £
TURNOVER	2	20,388,555	73,891,824
Cost of sales		(18,830,852)	(70,813,447)
GROSS PROFIT		1,557,703	3,078,377
Distribution and selling costs		(350,197)	(1,042,226)
Administrative expenses		(1,277,415)	(1,433,225)
Other operating income		396,171	328,345
(Loss)/profit from shares in related company	7	(3,064)	24,787
Profit on sale of investments		48,106	-
Diminution in value of investments	8	-	(50,461)
Interest receivable from group company		38,499	104,382
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	409,803	1,009,979
Tax on profit on ordinary activities	6	85,775	324,829
PROFIT FOR THE FINANCIAL YEAR		324,028	685,150
Dividend paid		-	240,900
Dividend proposed		300,000	-
RETAINED PROFIT FOR THE FINANCIAL YEAR		24,028	444,250
Retained profit brought forward		1,006,105	561,855
RETAINED PROFIT CARRIED FORWARD		1,030,133 =====	1,006,105 =====

The notes on pages 9 to 11 form part of these accounts.

HAMBROS UNIT TRUST MANAGERS LIMITED  
 (formerly HAMBROS BANK UNIT TRUST MANAGERS LIMITED)

BALANCE SHEET AT 31ST MARCH, 1989

	<u>Note</u>	<u>1989</u> <u>£</u>	<u>1988</u> <u>£</u>
SHARES IN RELATED COMPANY	7	70,952 =====	74,016 =====
CURRENT ASSETS			
Stocks of units		447,547	419,203
Investments	8	178,554	134,733
Debtors	9	2,164,494	4,267,947
Cash at bank with group company as bankers		683,648	436,160
		3,474,243	5,258,043
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	10	(2,465,062)	(4,275,954)
NET CURRENT ASSETS		1,009,181	982,089
NET ASSETS		1,080,133 =====	1,056,105 =====
CAPITAL AND RESERVES			
Called up share capital	11	50,000	50,000
Profit and loss account		1,030,133	1,006,105
		1,080,133 =====	1,056,105 =====

These accounts were approved by the board  
 of directors on *27th JUNE 1989*

*P. A. Kirkwood* )  
*F. M. O'Brien* ) Directors

The notes on pages 9 to 11 form part of these accounts.



HAMBROS UNIT TRUST MANAGERS LIMITED  
 (formerly HAMBROS BANK UNIT TRUST MANAGERS LIMITED)

STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
FOR THE YEAR ENDED 31ST MARCH, 1989

	£	<u>1989</u>	£	£	<u>1988</u>	£
<b>FUNDS GENERATED BY OPERATIONS</b>						
Profit on ordinary activities before taxation			409,803			1,009,979
Proceeds on sale of investments			403,731			-
Adjustment for items not involving movement of funds:						
Loss/(profit) from shares in related company	3,064			(24,787)		
(Profit) on sale of investments	(48,106)			-		
Diminution in value of investments	-			50,461		
			(45,042)			25,674
			768,492			1,035,653
<b>APPLICATION OF FUNDS</b>						
Group relief payment	(269,343)			(324,829)		
Tax paid	(86,991)			-		
Cost of investments	(399,446)			(185,194)		
Dividend paid	-			(240,900)		
			(755,780)			(750,923)
			12,712			284,730
			=====			=====
<b>COMPONENTS OF INCREASE IN WORKING CAPITAL</b>						
Increase/(decrease) in stocks of units			28,344			(941,881)
(Decrease)/increase in debtors			(2,103,453)			427,808
Decrease in creditors:						
Amounts falling due within one year			1,840,333			1,099,646
Movement in net liquid funds:						
Increase/(decrease) in cash at bank			247,488			(300,843)
			12,712			284,730
			=====			=====

The notes on pages 9 to 11 form part of these accounts.

HAMBROS UNIT TRUST MANAGERS LIMITED  
(formerly HAMBROS BANK UNIT TRUST MANAGERS LIMITED)

NOTES TO THE ACCOUNTS

1. 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) Stock 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 accruals 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, principally in the United Kingdom and Australia, 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>1989</u> £	<u>1988</u> £
Auditors' remuneration and expenses	7,000	6,900
Franked investment income	(347,953)	(252,977)
Interest received from another group company (net)	(38,499)	(104,382)
	=====	=====

5. DIRECTORS' EMOLUMENTS

None of the directors received any remuneration during the period (1988: ENil).

HAMBROS UNIT TRUST MANAGERS LIMITED  
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NOTES TO THE ACCOUNTS

6. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	<u>1989</u> £	<u>1988</u> £
Corporation tax payable at 35% based on the profit for the year:		
Group relief	4,441	275,000
Tax credit on franked investment income	86,991	68,304
Over provision for previous years	(5,657)	(18,475)
	<hr/> 85,775 <hr/> =====	<hr/> 324,829 <hr/> =====

7. SHARES IN RELATED COMPANY

	<u>1989</u> £	<u>1988</u> £
Balance brought forward	74,016	49,229
Share of results for year	(3,064)	24,787
	<hr/> 70,952 <hr/> =====	<hr/> 74,016 <hr/> =====

Details of the related company are as follows:

<u>Name of related company</u>	<u>Country of incorporation</u>	<u>Percentage of shareholding held direct</u>	<u>Principal activity</u>
Hambro Generali Fund Managers Limited	United Kingdom	50%	Manager of authorised unit trusts

8. INVESTMENTS

	<u>1989</u> £	<u>1988</u> £
Value brought forward at 1 April 1988	134,733	-
Cost of Acquisitions in year	399,446	185,194
Book value of disposals in year	(355,625)	-
Amount written off	-	(50,461)
	<hr/> 178,554 <hr/> =====	<hr/> 134,733 <hr/> =====
Value at 31st March 1989		

HAMBROS UNIT TRUST MANAGERS LIMITED  
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NOTES TO THE ACCOUNTS

9. DEBTORS

	<u>1989</u> £	<u>1988</u> £
Debtors for units sold	1,104,376	2,291,108
Amount due by Trustees	478,115	1,453,121
Amounts owed by group companies	4,260	2,400
Other debtors	577,743	521,318
	<hr/> 2,164,494	<hr/> 4,267,947
	=====	=====

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1989</u> £	<u>1988</u> £
Creditors for units repurchased	1,564,100	2,465,582
Amount due to trustees	52,902	717,357
Amounts owed to group companies	239,440	775,000
Other creditors	209,932	163,419
Accruals and deferred income	98,688	154,596
Proposed dividend	300,000	-
	<hr/> 2,465,062	<hr/> 4,275,954
	=====	=====

11. SHARE CAPITAL

	<u>1989</u> £	<u>1988</u> £
Authorised, allotted, called up and fully paid: 50,000 ordinary shares of £1 each	 50,000	 50,000
	=====	=====

12. ULTIMATE HOLDING COMPANY

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