

HAMBROS UNIT TRUST MANAGERS LIMITED

REPORT AND ACCOUNTS
FOR THE FIFTEEN MONTHS ENDED 31 MARCH 1999

Registered Number: 890308



HAMBROS UNIT TRUST MANAGERS LIMITED

REPORT OF THE DIRECTORS

for the fifteen month period ended 31 March 1999

The Directors present their Report and Accounts for the fifteen month period ended 31 March 1999.

On 2 October 1998, the Company's Accounting Reference Date was changed from 31 December to 31 March.

ACQUISITION OF PARENT COMPANY

On 4 September 1998, Investec Group Limited (South Africa) completed its acquisition of the Company's intermediate parent understanding, Guinness Flight Hambro Asset Management Limited, which then changed its name to Investec Guinness Flight Limited ("IGF"). The acquisition was effected through Guinness Mahon Group Services Limited ("GMGS").

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the Company is the management of unit trusts. The Company is regulated by the Investment Management Regulatory Organisation ("IMRO"). Both the level of business and the period end financial position are satisfactory, and the Company is expected to continue to pursue its current activities for the foreseeable future.

RESULTS

The Company made a loss for the period on ordinary activities after tax of £50,000 (9 months ended 31 December 1997: £7,000). No interim dividends were declared or paid in respect of the fifteen month period under review (period to 31 December 1997:£nil). The Directors do not recommend the payment of a dividend in respect of the period under review (period to 31 December 1997:£nil).

DIRECTORS

The Directors of the Company on 31 March 1999 who, unless stated, held office throughout the period under review, were:-

A E Martin Smith*
J R Chillingworth**
M S Langdon
G M Nobes
P G S Saunders

No other person was a Director at any time during the period under review.

* Also a director of IGF and Investec Guinness Flight Investment Management Limited ("IGFIM"), the Company's immediate parent undertaking

**Also a director of IGFIM

HAMBROS UNIT TRUST MANAGERS LIMITED

REPORT OF THE DIRECTORS

for the period ended 31 March 1999 (continued)

DIRECTORS' INTERESTS

According to the register kept pursuant to Section 324 of the Companies Act 1985, no Director had any beneficial interest in the shares of the Company during the period.

The interests of these directors who were also directors of IGF or IGFIM at 31 March 1999 are disclosed in the accounts of those companies and are not required to be disclosed hereunder.

Following the acquisition of IGF referred to above, none of the remaining directors had any interest in IGF or other group companies, save as disclosed below:

At 1 January 1998 and 31 March 1999, the following directors was beneficially interested in loan notes issued by Investec 1 Limited, the Company's intermediate parent undertaking:

<u>Director</u>	<u>Nominal value of Investec 1 Limited Loan Notes</u>
P G S Saunders	£33,000

At 31 March 1999, the following directors were beneficially interested in loan notes issued by GMGS during its acquisition of IGF:

<u>Director</u>	<u>Nominal value of GMGS Loan Notes</u>
P G S Saunders	£1,113,716

On 4 September 1998, the following directors sold shares of IGF previously held by them to GMGS:

<u>Director</u>	<u>No of shares</u>	<u>Class of share</u>	<u>Price</u>
M S Langdon	1,000	1p "A" Ordinary	144.31p
P G S Saunders	647,200	1p "A" Ordinary	144.31p
P G S Saunders	408,300	1p "B" Preference	100.82p

HAMBROS UNIT TRUST MANAGERS LIMITED

REPORT OF THE DIRECTORS

for the period ended 31 March 1999 (continued)

On 4 September 1998, the following directors' options over 1p "A" Ordinary shares of IGF were cancelled at the prices paid by GMGS shown below:

<u>Director</u>	<u>No of shares over which options cancelled</u>	<u>Cancellation consideration per share</u>
M S Langdon	15,000	104.31p
M S Langdon	30,000	54.31p
G M Nobes	4,000	54.31p
P G S Saunders	500,000	44.31p

Pursuant to an agreement dated 4 September 1998 options over 1p "A" Ordinary shares in IGF in favour of the following directors were to be exercised on 12 June 1999 and the shares arising therefrom subject to put and call options with GMGS at 144.31p per share.

<u>Director</u>	<u>Number of shares over which options to be exercised</u>	<u>Option exercise price</u>
M S Langdon	15,000	20p
P G S Saunders	500,000	38p

YEAR 2000

The computer systems used by the Company are provided by IGF. The Board has received appropriate assurances from IGF that its Year 2000 project is being given the highest priority and that its computer systems are being modified, enhanced or changed as necessary and tested so as to be Year 2000 compliant. Where the Company is reliant on third party suppliers similar assurances are being sought that such suppliers are Year 2000 compliant. Costs relating to this work are being borne by IGF. While the board believes that IGF will achieve an acceptable state of readiness it is not possible, given the complexity of the problem, for any organisation to guarantee Year 2000 compliance.

AUDITORS

Deloitte & Touche resigned as the Company's auditors on 13 January 1999. The Company appointed KPMG Audit Plc as replacement auditors on 15 January 1999 by Special Resolution. In accordance with Section 386 of the Companies Act 1985, the Company elected to dispense with the obligation to appoint auditors annually. KPMG are therefore deemed to be re-appointed as the Company's auditors for each succeeding year.

By Order of the Board of Directors

Registered Office:
2 Gresham Street
London EC2V 7QP



C J Wise
Secretary

22nd July 1999

HAMBROS UNIT TRUST MANAGERS LIMITED

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE PREPARATION OF ACCOUNTS

Company law requires the Directors to prepare financial statements 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 for that period. In preparing those financial statements, the Directors are required to:

1. Select suitable accounting policies and then apply them consistently;
2. Make judgements and estimates that are reasonable and prudent;
3. State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
4. 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 financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

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

We have audited the financial statements on pages 5 to 10.

Respective responsibilities of directors and auditors

As described above the company's directors are responsible for the preparation of 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the 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 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 1999 and of its loss for the 15 month period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

22 July 1999

8 Salisbury Square
London
EC4Y 8BB

HAMBROS UNIT TRUST MANAGERS LIMITED**PROFIT AND LOSS ACCOUNT**

for the fifteen month period ended 31 March 1999

	Note	15 months to 31 March 1999 £000	9 months to 31 December 1997 £000
Revenue	1, 2	86	221
Net operating expenses		<u>(172)</u>	<u>(238)</u>
Operating loss		(86)	(17)
Interest receivable		14	14
Loss on ordinary activities before tax	3	<u>(72)</u>	<u>(3)</u>
Tax credit/(charge) on loss on ordinary activities	4	<u>22</u>	<u>(4)</u>
Loss on ordinary activities after tax		(50)	(7)
Dividends paid		-	-
Retained loss for the year		<u>(50)</u>	<u>(7)</u>
Retained earnings brought forward		<u>78</u>	<u>85</u>
Retained earnings carried forward		<u>28</u>	<u>78</u>

All activities derive from continuing operations. There have been no recognised gains or losses in the period under review or prior period other than the loss for the period. The results disclosed in the profit and loss account are on an unmodified historical cost basis.

The notes on pages 7 to 10 form part of these accounts.

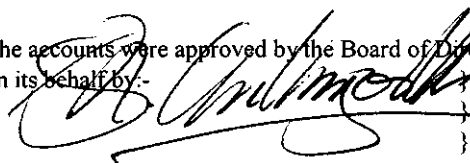
HAMBROS UNIT TRUST MANAGERS LIMITED

BALANCE SHEET

at 31 March 1999

	Note	31 March 1999 £'000	31 December 1997 £'000
CURRENT ASSETS			
Debtors	6	538	803
Cash at bank and in hand		<u>393</u>	<u>170</u>
		931	973
CREDITORS: amounts falling due within one year			
	7	<u>(803)</u>	<u>(845)</u>
NET CURRENT ASSETS		<u><u>128</u></u>	<u><u>128</u></u>
CAPITAL AND RESERVES			
Called up share capital	8	100	50
Profit and loss account		<u>28</u>	<u>78</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS		<u><u>128</u></u>	<u><u>128</u></u>

The accounts were approved by the Board of Directors on 22 July 1999 and were signed on its behalf by:-

 Director

The notes on pages 7 to 10 form part of these accounts.

HAMBROS UNIT TRUST MANAGERS LIMITED

NOTES TO THE ACCOUNTS

for the fifteen month period ended 31 March 1999

1 Accounting Policies

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

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of Investec Holdings Limited, registered in South Africa, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group.

Revenue

Management fees and services are stated exclusive of VAT and are accrued over the period to which the income relates

Administrative Expenses

This includes amounts accrued over the period in connection with Auditors fees, and the Investment Management Regulatory Organisation ("IMRO").

HAMBROS UNIT TRUST MANAGERS LIMITED**NOTES TO THE ACCOUNTS**

for the fifteen month period ended 31 March 1999

2 Revenue	15 months to 31 March 1999 £000	9 months to 31 December 1997 £000
Management charges	81	306
Initial charges	5	37
	<u>86</u>	<u>343</u>
Commissions and discounts	-	(122)
Revenue	<u>86</u>	<u>221</u>

Revenue is derived solely from activities within the United Kingdom.
Management charges are solely derived from related parties.

3 (Loss)/profit on ordinary activities before tax

(Loss) /profit on ordinary activities before tax is stated after charging:-	15 months to 31 March 1999 £000	9 months to 31 December 1997 £000
Auditors' remuneration for audit services	<u>2</u>	<u>-</u>

Auditors' remuneration for the provision of non audit services is £nil (9 months to December 1997: £nil).

4 Tax credit/(charge) on (loss)/profit on ordinary activities

	15 months to 31 March 1999 £000	9 months to 31 December 1997 £000
Group relief at 31% (1997: 31.5%)	22	(4)
	<u>22</u>	<u>(4)</u>

HAMBROS UNIT TRUST MANAGERS LIMITED

NOTES TO THE ACCOUNTS

for the fifteen month period ended 31 March 1999

5 Directors' Emoluments

Those Directors who were also Directors of Investec Guinness Flight Limited ("IGF") during the period were employed and remunerated as such by that company. Appropriate details of their remuneration are disclosed in the accounts of IGF. Those Directors who were not also Directors of IGF were employed as officers of that company and its subsidiaries, and any emoluments received by those Directors were in respect of such employment as officers. No emoluments were paid to any Directors as a Director of the Company.

All of the Directors of the Company, in their capacity as Directors and officers of IGF, are considered to offer their services to the group as a whole, and the management charge levied by IGF explained in note 1 above therefore includes an amount of £30,000 in respect of the management services provided by those persons to the Company.

6 Debtors

	At 31 March 1999 £000	At 31 December 1997 £000
Amounts falling due within one year:		
Amounts due from group undertakings	50	-
Group tax relief	22	-
Trade debtors	3	62
Prepayments and accrued income	8	27
Subscription account debtors	455	714
	<u>538</u>	<u>803</u>

7 Creditors

Amounts falling due within one period:		
Subscription account creditors	751	707
Amounts owed to parent company	35	6
Tax Creditor	-	4
Accruals	17	128
	<u>803</u>	<u>845</u>

HAMBROS UNIT TRUST MANAGERS LIMITED

NOTES TO THE ACCOUNTS

for the fifteen month period ended 31 March 1999

8 Called Up Share Capital

	At 31 March 1999 £000	At 31 December 1997 £000
Authorised :		
1,000,000 Ordinary shares of £1 each	<u>100</u>	<u>50</u>
Allotted, called up and fully paid :		
1,000,000 Ordinary shares of £1 each	<u>100</u>	<u>50</u>

9 Reconciliation of movements in Shareholders' funds for the period ended 31 March 1999

	15 months to 31 March 1999 £000	9 months to 31 December 1997 £000
(Loss) for the financial year	(50)	(7)
Increase in share capital	<u>50</u>	<u>-</u>
Net reduction in shareholders' funds	<u>-</u>	<u>(7)</u>
Opening shareholders' funds	<u>128</u>	<u>135</u>
Closing shareholders' funds	<u>128</u>	<u>128</u>

10 Parent Company

The Company's ultimate UK parent company is Investec Holdings (UK) Limited, a company registered in England and Wales. The Company's ultimate parent company is Investec Holdings Limited, a company registered in South Africa. These are respectively the smallest and largest groups into which accounts of the Company is consolidated. Copies of the accounts of both groups can be obtained from 2 Gresham Street, London, EC2V 7QP.