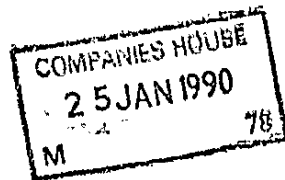


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SPICER & OPPENHEIM

A MEMBER OF SPICER & OPPENHEIM INTERNATIONAL

PRIVATE AND CONFIDENTIAL

ACCOUNTS

BUCKMASTER MANAGEMENT
COMPANY LIMITED

Financial statements
for the period 9th April 1988
to 31st March 1989



SPICER & OPPENHEIM

A MEMBER OF SPICER & OPPENHEIM INTERNATIONAL

CHARTERED ACCOUNTANTS

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REPORT OF THE DIRECTORS

The directors submit their report and the audited accounts for the period 9th April 1988 to 31st March 1989.

PRINCIPAL ACTIVITIES

The principal activities of the company during the period were

a) the management of the following unit trusts

The Buckmaster General Fund
The Buckmaster Income Fund
The Buckmaster International Fund
The Buckmaster Smaller Companies Fund
The Buckmaster Investment Portfolio
The Fellowship Trust
The Buckmaster High Income Portfolio
The Buckmaster Emerging Growth Fund

b) acting as agent for the parent company, Credit Suisse Buckmaster & Moore Limited, in dealings with other Unit Trust Management Houses.

RESULTS AND DIVIDENDS

The results for the period are set out in the profit and loss account on page 4.

No dividends have been paid or proposed.

DIRECTORS AND DIRECTORS' INTERESTS

The directors who served during the period and the beneficial interests of those serving at the balance sheet date in the shares of the holding company at the beginning of the year, and on 31st March 1989 were as follows

	<u>'A' ordinary shares</u>	
	At 31st March 1989	At 8th April 1988
H.J. France	25,000	40,000
G.H. Lynne	20,000	20,000
Sir John Stow	-	-
J.G. Bailey	25,000	25,000
M.A. Knight	-	-
J.S. Sandilands	20,000	20,000
G.M.W.B. Crawford	20,000	20,000
M.N. Jones	20,000	20,000
C. Barker	-	-

Mr. A.W.P. Ross was appointed a director of the company on 3rd April 1989.

REPORT OF THE DIRECTORS

TAXATION STATUS

In the opinion of the directors, the company is not a close company for taxation purposes.

AUDITORS

A resolution to reappoint Spicer & Oppenheim as auditors will be proposed at the forthcoming Annual General Meeting.

The Stock Exchange
Old Broad Street
London, EC2N 1HP

31 July, 1989.

By order of the board

W. J. Morgan

Assistant Secretary

AS DIRECTOR REPORT TO THE MEMBERS OF BUCKMASTER MANAGEMENT COMPANY LIMITED

We have audited the financial statements on pages 4 to 9 in accordance with Auditing Standards.

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

London, EC3

31. July. 1989


Chartered Accountants

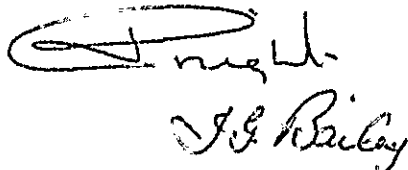
PROFIT AND LOSS ACCOUNT
for the period ended 31st March 1989

	Note	1989	1988
TURNOVER	1(b)	1,182,196	1,332,665
Administrative expenses		(781,525)	(1,225,766)
		<hr/> 400,671	<hr/> 106,899
Other operating income	2	28,049	(9,309)
		<hr/>	<hr/>
OPERATING PROFIT	3	428,720	97,090
Interest receivable	5	26,557	65,669
Interest payable	6	(16,530)	(35,307)
		<hr/> 10,027	<hr/> 30,362
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<hr/> 438,747	<hr/> 127,452
Tax on profit on ordinary activity	7	(141,944)	(58,427)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		296,803	69,025
Retained profit at the beginning of the period		<hr/> 94,438	<hr/> 25,413
RETAINED PROFIT AT THE END OF THE PERIOD		<hr/> £391,241	<hr/> £94,438

The notes on pages 7 to 9 form an integral part of these accounts.

BALANCE SHEET
31st March 1989

	Note	1989	1988
CURRENT ASSETS			
Debtors	8	2,440,096	4,526,153
Cash at bank		992,954	704,179
Stock of units	9	158,333	141,712
		<hr/>	<hr/>
		3,591,383	5,372,044
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR			
Creditors	10	3,150,142	5,237,606
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		£441,241	£144,438
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	11	50,000	50,000
Retained profit		391,241	94,438
		<hr/>	<hr/>
		£441,241	£144,438
		<hr/>	<hr/>

APPROVED BY THE BOARD OF DIRECTORS on 31ST JULY 1989


J. G. Bailey

The notes on pages 7 to 9 form an integral part of these accounts.

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SOURCE AND APPLICATION OF FUNDS
for the period ended 31st March 1989

	1989	1988
SOURCE OF FUNDS		
Profit on ordinary activities before tax	438,747	127,452
APPLICATION OF FUNDS		
Tax paid	(39,423)	-
INCREASE IN WORKING CAPITAL	<u>£399,324</u>	<u>£127,452</u>
represented by		
(Decrease) increase in debtors	(2,108,868)	4,072,931
Decrease (Increase) in creditors	2,202,796	(3,993,598)
Increase in stock of units	16,621	127,236
Increase (decrease) in bank balance	288,775	(79,117)
	<u>£399,324</u>	<u>£127,452</u>

NOTES TO THE ACCOUNTS
31st March 1989

1. ACCOUNTING POLICIES

a) CONVENTION

These financial statements have been prepared in accordance with the historical cost convention. The principal accounting policies which the directors have adopted within that convention is set out below.

b) TURNOVER

Turnover is the amount of management participation derived from income or capital of the trusts, the amount of commission earned on dealings with other Unit Trust Management Houses and the initial commission receivable on the sale of new units. Gross profit on dealing in units is shown as part of other operating income.

c) BULL AND BEAR POSITIONS

Bull and bear positions are shown at the market bid and offer price respectively at the close of business on 31st March 1989.

d) COMPARATIVE FIGURES

Comparative figures have been reclassified in order to conform with the presentation adopted in the current period.

	1989	1988
2. OTHER OPERATING INCOME		
Gross profit (loss) from dealing in units	£28,049	£(9,809)
3. OPERATING PROFIT		
Operating profit is arrived at after charging		
Auditors' remuneration for auditing the company		
(paid by holding company)	£ -	£4,000
Auditors' remuneration for auditing the unit		
trust funds	£43,950	£25,419
Administration charges from parent company	£212,745	£648,747
Directors' emoluments (note 4)	£1,750	£1,300
4. DIRECTORS' EMOLUMENTS		
Fees	1,000	1,000
Expenses	750	300
	£1,750	£1,300
The emoluments, excluding pension contributions, of directors were as follows		
Chairman	£ -	£ -
Highest paid director	£1,000	£1,000
The other directors received no remuneration.		

NOTES TO THE ACCOUNTS
31st March 1989

	1989	1988
5. INTEREST RECEIVABLE		
Bank deposit interest	<u>£26,557</u>	<u>£65,669</u>
6. INTEREST PAYABLE		
Bank loans and overdrafts	<u>£16,530</u>	<u>£35,307</u>
7. TAX ON PROFIT ON ORDINARY ACTIVITIES		
Payable to fellow subsidiary in respect of losses	154,138	58,427
Overprovision in respect of previous year	<u>(12,194)</u>	<u>-</u>
	<u>£141,944</u>	<u>£58,427</u>
8. DEBTORS		
Amounts due from trustees of unit trusts	-	145,169
Amount due from parent organisation relating to sale of units	567,921	1,485,669
Amount due from external clients relating to sale of units	1,766,549	2,736,035
Miscellaneous debtors and prepayments	82,815	159,280
Tax recoverable	<u>22,811</u>	<u>-</u>
	<u>£2,440,096</u>	<u>£4,526,153</u>
9. STOCK OF UNITS		
Bull positions	170,928	141,712
Bear positions	<u>(12,595)</u>	<u>-</u>
	<u>£158,333</u>	<u>£141,712</u>

NOTES TO THE ACCOUNTS

31st March 1989

	1989	1988
10. CREDITORS		
Amounts due to trustees of unit trusts	560,086	1,232,792
Amount due to parent organisation for repurchases of units	506,417	442,897
Amount due to external clients for repurchases of units	178,756	230,324
Amount due to parent organisation relating to settlement of unit trust bargains	1,233,559	2,621,177
Amount due to parent organisation for management fees	146,043	22,030
Miscellaneous creditors and accruals	40,090	29,687
Corporation tax	-	-
Other taxation	24,687	-
Amounts due to other unit trust management companies	259,644	573,171
Amount due to fellow subsidiary	200,860	75,528
	<u>£3,150,142</u>	<u>£5,227,606</u>
11. CALLED UP SHARE CAPITAL		
Authorised, allotted and fully paid 50,000 shares of £1 each	<u>£50,000</u>	<u>£50,000</u>
12. CONTINGENT LIABILITIES		
a) The company has contingent liabilities, which cannot be quantified, in respect of letters of indemnity (for lost unit trust certificates) given in the ordinary course of business.		
b) The company is a member of a group for value added tax purposes and accordingly might be liable for the liabilities of other group companies should they fail to meet their obligations.		
13. HOLDING COMPANY		
The company is a wholly owned subsidiary of Credit Suisse Buckmaster & Moore Limited, whose ultimate holding company is Credit Suisse, a company incorporated in the canton of Zurich, Switzerland.		