



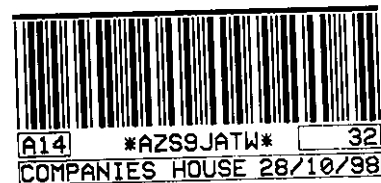
SARASIN

SARASIN UNIT TRUST MANAGERS LIMITED
(formerly Ely Place Unit Trust Managers Limited)

ACCOUNTS

for the year ended

30 JUNE 1998



SARASIN UNIT TRUST MANAGERS LIMITED

CONTENTS	Pages
Directors and advisers	2
Directors' report	3
Statement of directors' responsibilities in respect of the accounts	4
Auditors' report	5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the accounts	9-13

SARASIN UNIT TRUST MANAGERS LIMITED

DIRECTORS AND ADVISERS

DIRECTORS

Dr Beat Sarasin
R Wittendorfer
A J Hall
J G E Monson
T N M Service

JOINT SECRETARIES

E B Lewis and
Everett, Chettle & Co.

REGISTERED OFFICE

Sarasin House
37-39 St Andrew's Hill
London
EC4V 5DD

BANKERS

The Royal Bank of Scotland
36-37 New Bridge Street
London EC4V 6BJ

AUDITORS

Smith & Williamson
Chartered Accountants
No 1 Riding House Street
London W1A 3AS

COMPANY'S REGISTERED NUMBER

2190813

SARASIN UNIT TRUST MANAGERS LIMITED

DIRECTORS' REPORT

The directors present their report and the accounts of the company for the year ended 30 June 1998.

Principal activity and review

The principal activity of the company continues to be that of management of Ely Place Growth Fund and Ely Place Income Fund which are authorised unit trusts. The management of Ely Place BRI Director Dealings Unit Trust ceased during the year. The company is regulated by the Investment Management Regulatory Organisation Limited.

On 21 August 1998, the company changed its name to Sarasin Unit Trust Managers Limited.

Results for the year

The company made a profit after tax of £170,038 (1997: £141,635). The company paid a dividend in the year of £153,319 (1997: £117,988). The directors are satisfied with the results for the year and look forward to the future with confidence.

Directors

The directors of the company who served during the year were as follows:

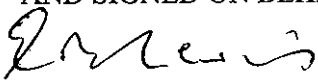
E G Barratt	(resigned 30 June 1998)
NVS Paravicini	(resigned 30 June 1998)
G A Crowther	(resigned 30 June 1998)
J Whatley	(resigned 30 June 1998)
E M Dunmore	(resigned 30 June 1998)
Dr Beat Sarasin	(appointed 30 June 1998)
R Wittendorfer	(appointed 17 July 1998)
A J Hall	(appointed 30 June 1998)
J G E Monson	(appointed 30 June 1998)
T N M Service	(appointed 30 June 1998)

The company is a wholly owned subsidiary of Ely Place Investments Limited. The directors interests in the shares of that company are disclosed in the accounts of that company.

Auditors

Vincent Bifulco & Co resigned as auditors and were replaced by Smith & Williamson. A resolution has been passed such that Smith & Williamson are deemed to be reappointed in accordance with Section 386 of the Companies Act 1985.

APPROVED BY THE BOARD OF DIRECTORS
AND SIGNED ON BEHALF OF THE BOARD.



E.B. Lewis
JOINT SECRETARY

SARASIN UNIT TRUST MANAGERS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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 preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the accounts 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 accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Smith & Williamson

Chartered Accountants

AUDITORS' REPORT TO THE SHAREHOLDERS OF SARASIN UNIT TRUST MANAGERS LIMITED

We have audited the accounts on pages 6 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

Respective responsibilities of directors and auditors

As described on page 4, the company's directors are responsible for the preparation of 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 judgments 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 at 30 June 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Smith & Williamson

SMITH & WILLIAMSON
Chartered Accountants
Registered Auditors

16 October 1998

No 1 Riding House Street
London W1A 3AS

SARASIN UNIT TRUST MANAGERS LIMITED**PROFIT AND LOSS ACCOUNT for the year ended 30 JUNE 1998**

	Notes	1998 £	1997 £
Turnover	1	673,898	551,610
Administration expenses		(440,012)	(372,624)
Operating profit		233,886	178,986
Other income	2	3,797	20,542
Profit on ordinary activities before taxation	3	237,683	199,528
Taxation	4	(67,645)	(57,893)
Profit on ordinary activities after taxation		170,038	141,635
Dividends	5	(153,319)	(117,988)
Retained profit for the year	12	16,719	23,647

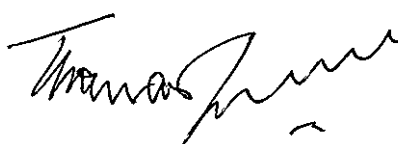
There have been no recognised gains or losses in either year apart from those included in the above profit and loss account.

SARASIN UNIT TRUST MANAGERS LIMITED

BALANCE SHEET as at 30 JUNE 1998

	Notes	1998	1997
		£	£
Current assets			
Investments	8	1,074	38,046
Debtors	9	89,937	52,485
Cash at bank and in hand		82,824	24,548
		173,835	115,079
Creditors: amounts falling due within one year	10	(82,982)	(40,944)
Net assets		90,853	74,135
Capital and reserves			
Equity share capital	11	50,000	50,000
Non-equity share capital	11	-	1
Profit and loss account	12	40,853	24,134
Shareholders' funds	13	90,853	74,135

The accounts were approved by the Board of Directors on 15 October 1998 and signed on their behalf by



T.N.M. Service, Director

SARASIN UNIT TRUST MANAGERS LIMITED

CASH FLOW STATEMENT for the year ended 30 JUNE 1998

	Notes	1998	1997
		£	£
Net cash inflow from operating activities	14	216,564	147,812
Returns on investments and servicing of finance			
Interest received		11,755	5,178
Dividends received		270	276
Preference dividend paid		(153,319)	(117,988)
Net cash outflow from returns on investments and servicing of finance		(141,294)	(112,534)
Taxation			
Corporation tax paid		(66,773)	(36,093)
Net cash inflow before management of liquid resources		8,497	(815)
Management of liquid resources			
Net cash inflow/(outflow) from management of liquid resources		49,780	(10,166)
Financing			
Redemption of preference share capital		(1)	-
Increase/(decrease) in cash in the year	15	58,276	(10,981)

SARASIN UNIT TRUST MANAGERS LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 JUNE 1998

1 Accounting policies

The accounts have been prepared in accordance with applicable accounting standards. A summary of the more important accounting policies adopted are described below.

Basis of accounting

The accounts have been prepared under the historical cost convention.

Turnover

Turnover represents initial and management charges relating to unit trust management.

Current asset investments

Current asset investments are stated at the lower of cost and market value.

Profits and losses on disposals of current asset investments are recognised when they are realised and are shown net of commissions and charges.

Deferred taxation

Deferred taxation is provided at the anticipated tax rates on differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the accounts, to the extent that it will become payable.

2 Other income

	1998 £	1997 £
Transaction costs	(21,036)	-
Profit on disposal of current asset investments	12,808	15,088
Investment income	270	276
Interest receivable	11,755	4,996
Miscellaneous income	-	182
	<u>3,797</u>	<u>20,542</u>

3 Profit on ordinary activities before taxation is stated after charging:

	£	£
Auditors' remuneration	<u>3,000</u>	<u>1,500</u>

SARASIN UNIT TRUST MANAGERS LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 JUNE 1998 (continued)

4	Taxation	1998	1997
		£	£
	The tax on the profit for the year is as follows:		
	UK Corporation tax at 31% (1997:24%)	67,699	57,893
	Over provision in respect of prior year	(54)	-
		<u>67,645</u>	<u>57,893</u>
		£	£
5	Dividend		
	Dividend paid to preference shareholder	<u>153,319</u>	<u>117,988</u>
		£	£
6	Staff costs		
	Wages and salaries	221,742	177,525
	Social security costs	18,671	18,108
		<u>240,413</u>	<u>195,633</u>
	Average number of employees during the year (including the two executive directors) was 9 (1997: 9).		
7	Directors' emoluments	£	£
	Remuneration	<u>108,829</u>	<u>112,879</u>
8	Current asset investments	£	£
	Unit trust investments		
	Bid value at 30 June	<u>2,283</u>	<u>38,580</u>
	Cost at 30 June	<u>1,074</u>	<u>38,046</u>

SARASIN UNIT TRUST MANAGERS LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 JUNE 1998 (continued)

9	Debtors	1998 £	1997 £
	Trade debtors	68,072	-
	Amounts due from parent company	20,000	50,000
	Prepayments and accrued income	1,865	2,485
		<u>89,937</u>	<u>52,485</u>
		£	£
10	Creditors		
	Due to trustee for creation of units	8,582	-
	Corporation tax	29,316	28,444
	Amounts due to parent company	30,917	11,000
	Accruals and deferred income	14,167	1,500
		<u>82,982</u>	<u>40,944</u>
		£	£
11	Share capital		
	Authorised:		
	Ordinary shares of £1 each	99,999	99,999
	Non-voting preference share of £1	-	1
		<u>99,999</u>	<u>100,000</u>
	Allotted, issued and fully paid		
	Ordinary shares of £1 each	50,000	50,000
	Non-voting preference share of £1	-	1
		<u>50,000</u>	<u>50,001</u>

The non-voting preference share carried a preferred right to dividends based on the underlying value of Ely Place Growth Fund with a guaranteed annual minimum of £10,000. On a winding up of the company its capital was limited to £1. On 30 June 1998, the preference share was redeemed for £1 and the authorised number of preference shares reduced to nil.

SARASIN UNIT TRUST MANAGERS LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 JUNE 1998 (continued)

12	Profit and loss account	1998 £	1997 £
	Retained profit for the year	16,719	23,647
	Balance brought forward	24,134	487
	Balance carried forward	40,853	24,134
13	Reconciliation of movements in shareholders' funds	£	£
	Profit for the financial year after taxation	170,038	141,635
	Share capital redeemed	(1)	-
	Dividends	(153,319)	(117,988)
	Net addition to shareholders' funds	16,718	23,647
	Opening shareholders' funds	74,135	50,488
	Closing shareholders' funds	90,853	74,135
14	Reconciliation of operating profit to net cash inflow from operating activities	£	£
	Operating profit	233,886	178,986
	Transaction costs	(21,036)	-
	Increase in debtors	(37,452)	(27,911)
	Increase/(decrease) in creditors	41,166	(3,263)
	Net cash inflow from operating activities	216,564	147,812

SARASIN UNIT TRUST MANAGERS LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 JUNE 1998 (continued)

15	Reconciliation of net cash flow to movement in net funds	1998 £	1997 £
	Increase/(decrease) in cash	58,276	(10,981)
	Net cash (inflow)/outflow from management of liquid resources	(49,780)	10,166
	Change in net debt resulting from cash flows	8,496	(815)
	Other non-cash items:		
	Profit on disposal of current asset investments	12,808	15,088
	Opening net funds	62,594	48,321
	Closing net funds	83,898	62,594

16	Analysis of net funds	At 1 July 1997 £	Cash flow £	Other non- cash changes £	At 30 June 1998 £
	Cash at bank and in hand	24,548	58,276	-	82,824
	Current asset investments	38,046	(49,780)	12,808	1,074
		62,594	8,496	12,808	83,898

17 Ultimate holding company

The company is 100% owned by Ely Place Investments Limited. The ultimate holding company is Bank Sarasin et Cie which is incorporated in Switzerland.

18 Related party transactions

The company has taken advantage of the exemption relating to subsidiaries in Financial Reporting Standard Number 8 not to disclose transactions with its holding company on the basis that the holding company publishes consolidated accounts.