

Company No. 2190813



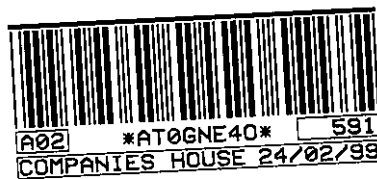
SARASIN

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

REPORT AND ACCOUNTS

for the six months ended

31 DECEMBER 1998



REPORT AND ACCOUNTS for the period ended 31 December 1998

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 plc
The Royal Bank of Scotland (Jersey) plc

AUDITORS

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

COMPANY REGISTERED NO.

2190813

REPORT AND ACCOUNTS for the period ended 31 December 1998

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DIRECTORS' REPORT

For the six months ended 31 December 1998

The directors submit their report and accounts for the six months ended 31 December 1998, the accounting reference date having been altered to conform with that of the company's Holding company.

Activities and Review of Affairs

The principal activity of the company continues to be that of management of EquiSar (GB) Fund (formerly Ely Place Growth Fund) and GlobalSar Income Fund (formerly Ely Place Income Fund) which are authorised unit trusts. The company is regulated by the Investment Management Regulatory Organisation Limited.

Following the acquisition of Sarasin Unit Trust Managers Limited (formerly Ely Place Unit Trust Managers Limited) and its parent company Ely Place Investments Limited by the Sarasin Group on the 30 June 1998, the Group has been re-branding and repackaging the authorised unit trusts and will shortly relaunch them. The EquiSar (GB) Fund won Investment Adviser's award for the top global equity fund, in risk adjusted terms, for the period from July 97 to July 98.

The directors are optimistic about the marketing potential for both of these onshore funds.

Results for the Period

The company's profit for the period to be transferred to reserves, is set out in the profit and loss account on page 7. The directors do not propose the payment of a dividend (year ended 30 June 1998 - £153,319).

Year 2000 compliance

As is well known, many computer and digital storage systems express dates using only the last two digits of the year and will thus require modification or replacement to accommodate the Year 2000 and beyond in order to avoid malfunctions and resulting widespread commercial disruption. This is a complex and pervasive issue. The operation of our business depends not only on our own computer systems, but also to some degree on those of our external providers. This could expose us to further risk in the event that there is a failure by other parties to remedy their own Year 2000 issues.

A Group-wide programme, designed to address the impact of the Year 2000 on our business, has been commissioned by the Group and is under way. Resources have been allocated and the Board receives regular reports on the progress of this project.

A significant risk analysis has been performed to determine the impact of the issue on all our activities. From this, prioritised action plans have been developed or are being developed which are designed to address the key risks in advance of critical dates and without disruption to the underlying business. Priority is given to those systems which could cause a significant financial or legal impact on the company's business if they were to fail.

The risk analysis also considers the potential impact on our business of Year 2000 related failures by our significant external providers including computer bureaux and information service providers. In appropriate cases we have initiated formal communication with these third parties.

DIRECTORS' REPORT

For the six months ended 31 December 1998

Year 2000 compliance (Continued)

Given the complexity of the problem, it is not possible for the Board to guarantee that no Year 2000 problems will remain because at least some level of failure may still occur. However, the Board believes that it will achieve an acceptable state of readiness and has also provided resources to deal promptly with significant subsequent failures or issues that might arise.

Much of the cost of implementing the action plans will be subsumed into the recurring activities of the departments involved. The total cost of modifications to our computer hardware or software will not be material as much of the company's hardware and software has been purchased in recent years and is not subject to modification.

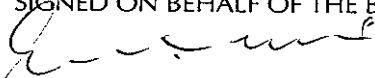
Directors

The directors, who served during the period ended 31 December 1998, are as follows, together with their interests in the ordinary shares of the company's intermediate holding company SIM Partnership (London) Limited at the year end:

		<i>No. of ordinary shares</i>	
		<i>1998</i>	<i>30 June 1998</i>
Dr. B.A. Sarasin	<i>(Chairman)</i>	-	-
R. Wittendorfer	<i>(appointed 17 July 1998)</i>	-	-
A.J. Hall		40,000	40,000
J.G.E. Monson		40,000	40,000
T.N.M. Service		20,000	20,000

None of the directors had any other beneficial interest in the share capital of the company or other group companies during the financial period ended 31 December 1998.

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



E.B. Lewis
JOINT SECRETARY

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial period 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 judgements 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.

REPORT OF THE AUDITORS

To the Shareholders of Sarasin Unit Trust Managers Limited

We have audited the accounts on pages 7 to 16 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 10.

Respective responsibilities of directors and auditors

As described on page 5 the company's directors are responsible for the preparation of the 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 have 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 judgements 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 31 December 1998 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Smith & Williamson

SMITH & WILLIAMSON
Chartered Accountants
Registered Auditors

16 February 1999

No.1 Riding House Street
London W1A 3AS.

PROFIT AND LOSS ACCOUNT For the period ended 31 December 1998
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	<i>Notes</i>	Six months ended 31 December 1998 £	Year ended 30 June 1998 £
Turnover	2	285,834	665,670
Administrative expenses		(168,458)	(440,012)
Operating Profit	3	117,376	225,658
Interest receivable and similar income	6	10,777	12,025
Profit On Ordinary Activities Before Taxation		128,153	237,683
Taxation	7	(38,446)	(67,645)
Profit On Ordinary Activities After Taxation		89,707	170,038
Dividend payable	8	-	(153,319)
Retained Profit		89,707	16,719
Accumulated Profits brought forward		40,853	24,134
Accumulated Profits carried forward		£ 130,560	£ 40,853

There have been no recognised gains and losses in either period other than those included in the above profit and loss account.

BALANCE SHEET As at 31 December 1998

	Notes	31 December 1998 £	30 June 1998 £
Current Assets			
Investments	9	1,228	1,074
Debtors	10	101,711	89,937
Cash at bank		301,398	82,824
		404,337	173,835
Creditors: Amounts falling due within one year	11	(223,777)	(82,982)
Net Assets		£180,560	£ 90,853
Capital And Reserves			
Called up share capital	12	50,000	50,000
Profit and loss account		130,560	40,853
Shareholders' Funds	17	£ 180,560	£ 90,853

These accounts were approved by the Board of Directors on 16 February 1999, and signed on their behalf by:-

A.J.Hall, Managing Director



CASH FLOW STATEMENT

For the period ended 31 December 1998

	Notes	Six months ended 31 December 1998 £	Year ended 30 June 1998 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	14	207,951	216,564
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		10,777	11,755
Investment income		-	270
Preference dividend paid		-	(153,319)
Net cash inflow from returns on investments and servicing of finance		10,777	(141,294)
TAXATION			
UK corporation tax paid		-	(66,773)
Tax paid		-	(66,773)
CASH INFLOW BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING		218,728	8,497
MANAGEMENT OF LIQUID RESOURCES			
Net cash outflow from management of liquid resources		(154)	49,780
FINANCING			
Redemption of preference share capital		-	(1)
INCREASE IN CASH IN THE YEAR	16	£ 218,574	£ 58,276

NOTES TO THE ACCOUNTS For the period ended 31 December 1998
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1. ACCOUNTING POLICIES

The accounts have been prepared in accordance with applicable accounting standards. The more important accounting policies adopted are described below:-

Basis of Accounting

The accounts have been prepared under the historical cost convention.

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

The company provides for deferred taxation at the rate of corporation tax applicable at the balance sheet date using the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for taxation purposes. No provision is made where there is a reasonable probability that such tax will not become payable in the foreseeable future.

Related Party Transactions

The company is exempt from the requirement of Financial Reporting Statement 8 to disclose related party transactions with group companies as it is included within the consolidated accounts that are publicly available.

NOTES TO THE ACCOUNTS For the period ended 31 December 1998
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(Continued)

2. **TURNOVER**

The company's turnover and operating profits are analysed as follows:

	<i>Turnover</i>		<i>Operating Profit</i>	
	Six months ended 31 December 1998 £	Year ended 30 June 1998 £	Six months ended 31 December 1998 £	Year ended 30 June 1998 £
Profits/losses on sale of units including Initial Charges	6,194	46,473	6,194	46,473
Management charges relating to unit trusts	279,640	619,197	111,182	179,185
	£ 285,834	£ 665,670	£ 117,376	£ 225,658

3. **OPERATING PROFIT**
is stated after charging:-

	Six months ended 31 December 1998 £	Year ended 30 June 1998 £
Auditors' remuneration - Audit	5,700	3,000
- Non audit	2,387	-

4. **DIRECTORS' EMOLUMENTS**

Remuneration	£ Nil	£ 108,829
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NOTES TO THE ACCOUNTS For the period ended 31 December 1998
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(Continued)

5. **EMPLOYEES**

The average monthly number of employees of the company during the year, including directors with service contracts, and their aggregate emoluments were as follows:-

	Number	Salaries	Social Security	Pension Costs
Six months to 31 December 1998	Nil	£ Nil	£ Nil	£ Nil
Year to 30 June 1998	9	£ 221,742	£ 18,671	£ Nil

6. **INTEREST RECEIVABLE AND SIMILAR INCOME**

	Six months ended 31 December 1998 £	Year ended 30 June 1998 £
Bank interest receivable	10,777	11,755
Investment income	-	270
	£ 10,777	£ 12,025

7. **TAXATION**

	£	£
UK corporation tax payable at 31% (30 June 1998: 31%) based on profits for the period	38,446	67,699
Over provision in respect of prior periods	-	(54)
	£ 38,446	£ 67,645

NOTES TO THE ACCOUNTS For the period ended 31 December 1998

(Continued)

8. **DIVIDENDS**

	Six months ended 31 December 1998 £	Year ended 30 June 1998 £
Dividend payable to preference shareholder	-	153,319

9. **CURRENT ASSET INVESTMENTS**

Unit Trust investments

	31 December 1998	30 June 1998
Cost	£ 1,228	£ 1,074

10. **DEBTORS**

	£	£
Trade debtors	67,343	68,072
Amounts owed by group undertakings:-		
- Fellow subsidiary undertakings	20,000	20,000
Other debtors	8,961	
Prepayments and accrued income	5,407	1,865
	£ 101,711	£ 89,937

NOTES TO THE ACCOUNTS For the period ended 31 December 1998
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(Continued)

11. **CREDITORS:** Amounts falling due within one year

	31 December 1998 £	30 June 1998 £
Trade creditors	30,849	-
Due to Trustee for creation of units	66,166	8,582
Amount owed to group undertakings:-		
- Fellow subsidiaries	13,405	30,917
Corporation tax payable	67,762	29,316
Dividend payable	-	-
Accruals and deferred income	45,595	14,167
	£ 223,777	£ 82,982

12. **SHARE CAPITAL**

Authorised:

Ordinary shares of £1 each	£ 99,999	£ 99,999
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Allotted, Called up and Fully Paid:

50,000 Ordinary shares of £1 each	£ 50,000	£ 50,000
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13. **ULTIMATE HOLDING COMPANY**

The holding company is Sarasin (UK) Limited, a company registered in England.

The ultimate holding company is Bank Sarasin & Cie, a company incorporated in Switzerland.

NOTES TO THE ACCOUNTS For the period ended 31 December 1998
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(Continued)

14. **RECONCILIATION OF NET CASH INFLOW FROM OPERATING ACTIVITIES**

	Six months ended 31 December 1998 £	Year ended 30 June 1998 £
Operating profit	117,376	212,850
Increase in debtors	(11,774)	(37,452)
Increase in creditors	102,349	41,166
Net cash inflow from operating activities	£ 207,951	£ 216,564

15. **RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN FUNDS**

	£	£
Increase in cash	218,574	58,276
Net cash inflow from management of liquid resources	154	(49,780)
Change in net debt resulting from cash flows	218,728	8,496
Profit on disposal of current asset investments	-	12,808
Opening net funds	83,898	62,594
Closing net funds	£ 302,626	£ 83,898

NOTES TO THE ACCOUNTS

For the period ended 31 December 1998

(Continued)

16. ANALYSIS OF NET FUNDS

	At 1 July 1998	Cash flow	At 31 December 1998
	£	£	£
Cash at bank	82,824	218,574	301,398
Current asset investments	1,074	154	1,228
	£ 83,898	£218,728	£302,626

17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	1998 £	1997 £
Profit for the financial period	89,707	170,038
Share capital redeemed	-	(1)
Dividends	-	(153,319)
Net addition to shareholders' funds	89,707	16,718
Opening shareholders' funds	90,853	74,135
Closing shareholders' funds	£ 180,560	£ 90,853