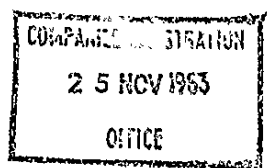


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STEWART FUND MANAGERS LIMITED

ACCOUNTS

For the year ended
30 June 1983



Stewart Fund Managers Limited

STEWART FUND MANAGERS LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 1983

The directors present herewith the audited accounts for the year ended 30 June 1983.

Principal Activities and Status

1 The principal activities of the group are the management of investment and unit trusts and other investment portfolios. The company is a close company within the terms of the Income & Corporation Taxes Act 1970, as amended.

Results

2 The profit for the year after taxation was £6,535. The directors do not recommend a dividend in respect of the year ended 30 June 1983. The balance on profit and loss account was thus increased to £37,472.

The directors consider that the group has performed satisfactorily over the year and expect that this will be maintained in the future.

Changes in Fixed Assets

3 The movements in fixed assets during the year are set out in note 7 to the accounts.

Directors' Interests in Shares of the Company

4 The interests of the directors of the company at 30 June 1983 in shares of the company, according to the register required to be kept by Section 29 of the Companies Act 1967, were as follows:-

	<u>Ordinary Shares of £1 each</u>		<u>Redeemable Preference Shares</u>	
	<u>1983</u>	<u>1982</u>	<u>1983</u>	<u>1982</u>
P A Campbell Fraser	100	100	100	100
J G D Ferguson	100	100	100	100
J H Murray	150	150	150	150
J W A Shaw Stewart	430	430	430	430
E A W Tulloch	100	100	100	100
J G L Wright	100	100	100	100

STEWART FUND MANAGERS LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 1983 (Continued)

Auditors

5 A resolution to re-appoint Coopers & Lybrand as auditors will be proposed at the annual general meeting.

BY ORDER OF THE BOARD



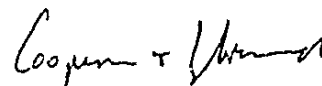
Secretary

EDINBURGH, 27 September 1983

STEWART FUND MANAGERS LIMITEDREPORT OF THE AUDITORS TO THE MEMBERS

We have audited the accounts on pages 4 to 14 in accordance with approved Auditing Standards. The accounts have been prepared under the historical cost convention.

In our opinion the accounts give a true and fair view of the state of affairs of the company and the group at 30 June 1983 and of the profit and source and application of funds of the group for the year then ended and comply with the Companies Acts 1948 to 1981.



Chartered Accountants

EDINBURGH, 27 September 1983

**STEWART FUND MANAGERS LIMITED
AND ITS SUBSIDIARY COMPANIES**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 1983**

	Notes	1983		1982	
		£	£	£	£
TURNOVER	1		2,612,110		1,561,186
Cost of units sold		2,004,994		1,054,457	
Administration expenses	2	624,966		518,282	
			2,629,960		1,572,739
			(17,850)		(11,553)
Other income	3		30,629		23,516
PROFIT BEFORE TAX			12,779		11,963
<u>Less:</u>					
Tax on ordinary activities	6		6,244		5,450
RETAINED PROFIT FOR THE YEAR			6,535		6,513
Attributable to:-					
Stewart Fund Managers Limited		(1,865)		1,846	
Subsidiaries		8,400		4,667	
		6,535		6,513	
RETAINED PROFIT BROUGHT FORWARD			30,937		24,424
RETAINED PROFIT CARRIED FORWARD			£37,472		£30,937
			=====		=====

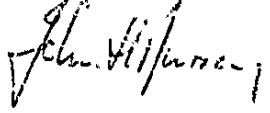
The notes on pages 8 to 14 form part of these accounts

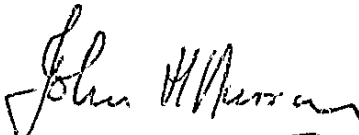
**STEWART FUND MANAGERS LIMITED
AND ITS SUBSIDIARY COMPANIES**

CONSOLIDATED BALANCE SHEET - 30 JUNE 1983

	Notes	1983		1982	
		£	£	£	£
FIXED ASSETS					
Tangible assets	7		22,274		23,426
Investments:	9				
Shares in related company		5,000		5,000	
Other investments		6,230		6,230	
			11,230		11,230
			33,504		34,656
CURRENT ASSETS					
Stocks		123,754		11,881	
Debtors	10	177,952		67,783	
Cash at bank and in hand		-		37,828	
		301,706		117,492	
Less:					
CURRENT LIABILITIES - due within one year					
Bank overdraft		101,618		-	
Creditors	11	162,248		86,994	
		263,866		86,994	
NET CURRENT ASSETS			37,840		30,498
TOTAL ASSETS LESS CURRENT LIABILITIES			71,344		65,154
PROVISION FOR LIABILITIES AND CHARGES					
Deferred taxation	12		(3,797)		(4,142)
SHAREHOLDERS' FUNDS			£67,547		£61,012
Represented by:-			=====		=====
CAPITAL AND RESERVES					
Called up share capital	13		1,100		1,100
Other reserves	14		28,975		28,975
Profit and loss account			37,472		30,937
			£67,547		£61,012
			=====		=====



 } Directors



 John H. H. H. H.

The notes on pages 8 to 14 form part of these accounts

STEWART FUND MANAGERS LIMITED

BALANCE SHEET - 30 JUNE 1983

	Notes	1983		1982	
		£	£	£	£
FIXED ASSETS					
Tangible assets	7		22,274		23,426
Investments:					
Shares in group companies	8	25,100		25,100	
Shares in related company	9	5,000		5,000	
Other investments	9	1,375		1,375	
			31,475		31,475
			53,749		54,901
CURRENT ASSETS					
Debtors	10	49,564		30,225	
Cash at bank and in hand		-		22,532	
		49,564		52,757	
Less:					
CURRENT LIABILITIES - due within one year					
Bank overdraft		16,543		-	
Creditors	11	42,954		61,632	
		59,497		61,632	
NET CURRENT LIABILITIES			(9,933)		(8,875)
TOTAL ASSETS LESS CURRENT LIABILITIES			43,816		46,026
CREDITORS - due after one year	8		(22,000)		(22,000)
PROVISION FOR LIABILITIES AND CHARGES					
Deferred taxation	12		(3,797)		(4,142)
SHAREHOLDERS' FUNDS			£18,019		£19,884
Represented by:-			=====		=====
CAPITAL AND RESERVES					
Called up share capital	13		1,100		1,100
Profit and loss account			16,919		18,784
			£18,019		£19,884
			=====		=====

John H. Murray

)
) Directors
)

The notes on pages 8 to 14 form part of these accounts

Auditors' report page 3

STEWART FUND MANAGERS LIMITED
AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 30 JUNE 1983

	1983		1982	
	£	£	£	£
SOURCE OF FUNDS				
Profit before taxation		12,779		11,963
Adjustment for items not involving the movement of funds:				
Depreciation	8,273		7,782	
Gain on sale of fixed assets	-		(248)	
		8,273		7,534
TOTAL GENERATED FROM OPERATIONS		21,052		19,497
FUNDS FROM OTHER SOURCES				
Proceeds from sale of fixed assets	4,100		6,915	
Tax repayment	-		619	
		4,100		7,534
		25,152		27,031
APPLICATION OF FUNDS				
Purchase of investments	-		(6,375)	
Purchase of fixed assets	(11,221)		(10,649)	
Tax paid	(6,582)		(2,803)	
		(17,803)		(19,827)
		£ 7,349		£ 7,204
		=====		=====
INCREASE/(DECREASE) IN WORKING CAPITAL				
Increase in stocks	111,873		(25,469)	
Increase in debtors	110,169		(148,218)	
Increase in creditors, excluding taxation	(75,247)		(35,625)	
		(146,795)		(209,312)
Movement in net liquid funds:				
Decrease in bank and cash balances		(139,446)		216,516
		£ 7,349		£ 7,204
		=====		=====

**STEWART FUND MANAGERS LIMITED
AND ITS SUBSIDIARY COMPANIES**

ACCOUNTING POLICIES

As in previous years, the group accounts are prepared in accordance with the historical cost convention. The following is a summary of the more important accounting policies used by the group.

(a) Basis of Consolidation

The consolidated accounts deal with the accounts of the company and its wholly owned subsidiaries, which are made up to 30 June 1983.

(b) Investment Income

Income from investments is included together with the related tax credit. Only dividends receivable on or before the balance sheet date are included.

(c) Depreciation

Depreciation is calculated to write off the cost of fixed assets on a reducing balance basis over the expected useful lives of the assets concerned. The principal annual rates used for this purpose are consistent with those of the previous year and are:-

Motor vehicles	-	25%
Office equipment	-	25%
Office furniture	-	15%

(d) Deferred Taxation

Provision is made for deferred tax at the rate of corporation tax ruling at the year end (the liability method) except in respect of any tax reduction which can reasonably be expected to continue for the future.

(e) Stocks

Stocks of units are valued at the lower of cost and net realisable value.

(f) Investments

Investments are shown in the balance sheet at cost. The market value of listed investments at 30 June 1983 is based on middle market prices, unit values are based on published list prices, and other investments are valued at cost.

STEWART FUND MANAGERS LIMITED
AND ITS SUBSIDIARY COMPANIES

NOTES TO THE ACCOUNTS - 30 JUNE 1983

1 Turnover

Turnover, which relates wholly to the UK, is the total of investment management fees, proceeds from units sold, profits from dealing in units and unit trust management fees.

2 Administration Expenses

	<u>1983</u> £	<u>1982</u> £
Employment costs	461,431	372,435
Depreciation of fixed assets	8,273	7,782
Auditors' remuneration	5,250	5,250
Overdraft interest (on sums wholly repayable within five years)	4,116	1,231
Other expenses	145,896	131,584
	<u>£624,966</u> =====	<u>£518,282</u> =====

3 Other Income

	<u>1983</u> £	<u>1982</u> £
Bank interest received	4,929	10,739
Dividends from listed investments	25	402
Dividends from related company (note 9)	5,625	-
Income from unit trusts	1,223	-
Other income	18,827	12,375
	<u>£30,629</u> =====	<u>£23,516</u> =====

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STEWART FUND MANAGERS LIMITED
AND ITS SUBSIDIARY COMPANIES

NOTES TO THE ACCOUNTS - 30 JUNE 1983 (Continued)

4 Information on Employees

The group's employment costs, including executive directors, are as follows:-

	<u>1983</u> £	<u>1982</u> £
Salaries	306,903	283,737
Social Security costs	21,632	22,281
Other pension costs	132,896	66,417
	<u>£461,431</u>	<u>£372,435</u>
	=====	=====

The average number of employees, other than directors, employed by the group was 15 (1982 - 15).

5 Directors' Emoluments

	<u>1983</u> £	<u>1982</u> £
Directors' emoluments, including pension contribution		
- as executives	240,077	231,969
- as directors	-	125
	<u>£240,077</u>	<u>£232,094</u>
	=====	=====

The emoluments, excluding pension contributions
- the Chairman and highest paid director

£42,206	£42,520
=====	=====

The emoluments, excluding pension contributions, of the other directors were within the bands:

£10,001 to £15,000	-	-
£15,001 to £20,000	-	-
£20,001 to £25,000	-	1
£25,001 to £30,000	3	-
£30,001 to £35,000	1	3
£35,001 to £40,000	1	1

6 Taxation

The charge for taxation is made up as follows:-

	<u>1983</u> £	<u>1982</u> £
On the profit of the year:-		
U.K. corporation tax at 38% (1982 - 40%)	6,215	5,083
Deferred taxation	(345)	246
	<u>5,870</u>	<u>5,329</u>
	374	121
Tax credit on investment income	<u>£6,244</u>	<u>£5,450</u>
	=====	=====

STEWART FUND MANAGERS LIMITED
AND ITS SUBSIDIARY COMPANIES

NOTES TO THE ACCOUNTS - 30TH JUNE 1983 (Continued)

7 Tangible Assets

	<u>Office Furniture and Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
<u>Cost</u>	£	£	£
At 1 July 1982	24,686	22,130	46,816
Additions	3,816	7,405	11,221
Disposals	-	(6,860)	(6,860)
At 30 June 1983	28,502	22,675	51,177
<u>Depreciation</u>			
At 1 July 1982	14,603	8,787	23,390
Charge for the year	3,327	4,946	8,273
Disposals	-	(2,760)	(2,760)
At 30 June 1983	17,930	10,973	28,903
<u>Net Book Value</u>			
At 30 June 1983	£10,572	£11,702	£22,274
	=====	=====	=====
At 30 June 1982	£10,083	£13,343	£23,426
	=====	=====	=====

8 Group Companies

The company has the following wholly owned subsidiaries:-

<u>Name of Company and Country of Incorporation</u>	<u>Description of shares held</u>	<u>Investment at cost</u>
		<u>1983</u> <u>1982</u>
Stewart Unit Trust Managers Limited (Scotland)	Ordinary £1 shares	£25,000 £25,000
		===== =====

This company has made a loan of £22,000 (1982 - £22,000) to the parent company. The loan is interest free and has no fixed repayment terms.

Stewart Fund Managers (International) Limited (Scotland)	Ordinary £1 shares	£100 £100
		===== =====

This company has not traded.

STEWART FUND MANAGERS LIMITED
AND ITS SUBSIDIARY COMPANIES

NOTES TO THE ACCOUNTS - 30 JUNE 1983 (Continued)

9 Investments

(a) Shares in Related Company

	1983		1982	
	<u>The Company</u>	<u>The Group</u>	<u>The Company</u>	<u>The Group</u>
	£	£	£	£
Unlisted shares at cost	5,000	5,000	5,000	5,000

These shares are in respect of a 50% interest in the ordinary share capital of Joseph & Stewart Fund Management (Guernsey) Limited, which is incorporated in Guernsey.

(b) Other Investments

	1983		1982	
	<u>The Company</u>	<u>The Group</u>	<u>The Company</u>	<u>The Group</u>
	£	£	£	£
Listed - at cost	-	880	-	880
Unlisted - at cost	1,375	1,375	1,375	1,375
Units in unit trusts managed by Stewart Unit Trust Managers Limited at cost	-	3,975	-	3,975
Book value of listed and unlisted investments	£1,375	£6,230	£1,375	£6,230
Market value of listed investments	-	2,535	-	1,283
Market value of units held in unit trusts	-	9,180	-	5,978
	£ -	£11,715	£ -	£7,261

10 Debtors - due within 1 year

	1983		1982	
	<u>The Company</u>	<u>The Group</u>	<u>The Company</u>	<u>The Group</u>
	£	£	£	£
Trade debtors	21,726	157,567	9,855	20,173
Other debtors	5,704	5,704	4,122	31,362
Prepayments	6,511	6,511	16,248	16,248
Group companies	7,453	-	-	-
Related companies	8,170	8,170	-	-
	£49,564	£177,952	£30,225	£67,783

**STEWART FUND MANAGERS LIMITED
AND ITS SUBSIDIARY COMPANIES**

NOTES TO THE ACCOUNTS - 30 JUNE 1983 (Continued)

11 Creditors - due within 1 year

	1983		1982	
	The Company	The Group	The Company	The Group
Payments received on account	10,000	10,000	10,000	10,000
Trade creditors	-	77,848	-	38,940
Group companies	100	-	22,439	-
UK corporation tax payable	-	5,090	2,159	5,083
Social security creditor	11,348	11,348	10,638	10,638
Other creditors	21,506	57,962	16,396	22,333
	<u>£42,954</u>	<u>£162,248</u>	<u>£61,632</u>	<u>£86,994</u>

12 Deferred Taxation

	1983		1982	
	The Company and the Group		The Company and the Group	
	Full Potential Liability	Provision Made	Full Potential Liability	Provision Made
Accelerated capital allowances	£3,797	£3,797	£4,142	£4,142
	=====	=====	=====	=====

13 Share Capital

	Authorised, Issued and Fully Paid	
	1983	1982
	£	£
1,000 ordinary shares of 10p each	100	100
1,000 redeemable preference shares of £1 each	1,000	1,000
	<u>£1,100</u>	<u>£1,100</u>

STEWART FUND MANAGERS LIMITED
AND ITS SUBSIDIARY COMPANIES

NOTES TO THE ACCOUNTS - 30 JUNE 1983 (Continued)

14 Other Reserves

	1983		1982	
	<u>The Company</u> £	<u>The Group</u> £	<u>The Company</u> £	<u>The Group</u> £
Profits capitalised for bonus issue by subsidiary	-	25,000	-	25,000
Reserve for future management expenses	-	3,975	-	3,975
	<u>£ -</u>	<u>£28,975</u>	<u>£ -</u>	<u>£28,975</u>
	===	=====	===	=====

These reserves are non-distributable.

15 Pension Fund

The group pension scheme is non contributory, and provides all employees with a pension on retirement.