

COMPANY NO:
988441

INVESTECO OVERSEAS HOLDINGS LIMITED

FINANCIAL STATEMENTS

31ST DECEMBER 1997



INVESTECO OVERSEAS HOLDINGS LIMITED

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- For the Information of the Directors Only
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INVESTECO OVERSEAS HOLDINGS LIMITED

REPORT OF THE DIRECTORS

The directors submit their report and the audited accounts for the year to 31st December 1997.

PRINCIPAL ACTIVITY

The principal activity of the company was to promote and invest in productive and trading operations.

DIRECTORS

The directors who served during the year and their beneficial interests in the share capital of the company were as follows:-

	<u>Ordinary £1 Shares</u>		<u>Preference Shares</u>	
	<u>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>
K.P. Legg	355,000	355,000	135,804	135,804
Mrs G.M. Legg	-	-	-	-
G. Grender	10,000	10,000	22,000	22,000

DIRECTORS RESPONSIBILITIES

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 of the company for the period. In preparing those financial statements, the directors are required to

select suitable accounting policies and then apply them consistently;

make judgements and estimates that are reasonable and prudent;

state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

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 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.

INVESTECO OVERSEAS HOLDINGS LIMITED

REPORT OF THE DIRECTORS

CONTINUED

AUDITORS

A resolution to reappoint Chapman Davis & Co as auditors will be proposed at the forthcoming Annual General Meeting

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and was approved by the board on 20th August 1998 and signed on their behalf.

FOR AND ON BEHALF OF
INVESTECO OVERSEAS LIMITED


TABOR SECRETARIES LIMITED
Secretary

REPORT OF THE AUDITORS TO THE MEMBERS OF
INVESTECO OVERSEAS HOLDINGS LIMITED

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective Responsibilities of Directors and Auditors

As described on page 1, the company's directors are responsible for the preparation of the 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

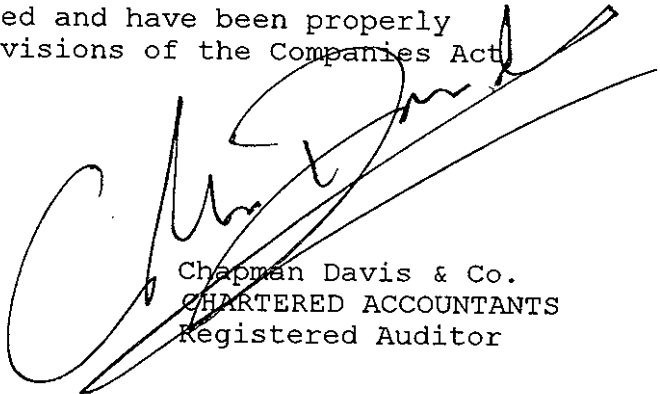
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 31st December 1997 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

LONDON
20th August 1998



Chapman Davis & Co.
CHARTERED ACCOUNTANTS
Registered Auditor

INVESTECO OVERSEAS HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR TO 31ST DECEMBER 1997

	<u>Notes</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>1996</u>	<u>£</u>
Turnover	1		664,552			51,839
Cost of Sales			616,424			47,874
GROSS PROFIT			<u>48,128</u>			<u>3,965</u>
Administration Expenses		(473)		(165)		
Dividends Received		4,977		7,466		
Provision Against Investments		(32,020)		77,058		
		<u> </u>	(27,516)	<u> </u>		84,524
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2		20,612			88,324
TAXATION	4		(1,036)			(1,470)
RETAINED PROFIT FOR THE YEAR			<u>19,576</u>			<u>86,854</u>
ACCUMULATED DEFICIT BROUGHT FORWARD			(731,222)			(818,076)
ACCUMULATED DEFICIT CARRIED FORWARD			<u>£ (711,646)</u>			<u>£ (731,222)</u>
			=====			=====

The company made no recognised gains or losses in 1997 or 1996 other than the profit for the period.

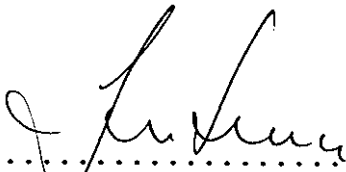
INVESTECO OVERSEAS HOLDINGS LIMITED

BALANCE SHEET

AT 31ST DECEMBER 1997

	<u>Notes</u>	<u>£</u>	<u>£</u>	<u>1996</u>	<u>£</u>
FIXED ASSETS					
Investments	5	157,276		189,296	
CURRENT ASSETS					
Debtors	6	51,120		77	
Cash at Bank		568		16	
		<u>51,688</u>		<u>93</u>	
CREDITORS: Amounts Falling Due Within One Year	7	(12,356)		(12,357)	
NET CURRENT ASSETS/ (LIABILITIES)			39,332		(12,264)
NET ASSETS		<u>£196,608</u>		<u>£177,032</u>	
		=====		=====	
CAPITAL AND RESERVES					
Called up Share Capital	8	885,780		885,780	
Share Premium Account		22,474		22,474	
Profit and Loss Account		(711,646)		(731,222)	
		<u>(689,172)</u>		<u>(708,740)</u>	
SHAREHOLDERS' FUNDS	9	<u>£196,608</u>		<u>£177,032</u>	
		=====		=====	

These Financial Statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and were approved by the Board on 20th August 1998.



 K.P. Legg
DIRECTOR

INVESTECO OVERSEAS HOLDINGS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

31ST DECEMBER 1997

1. ACCOUNTING POLICIES

Accounting Convention

These accounts have been prepared in accordance with applicable Accounting Standards under the historical cost convention.

Fixed Asset Investments

Listed fixed asset investments are stated at cost, less provision where necessary to recognise any permanent diminution in their value.

Turnover

Turnover represents the sales proceeds of current asset investments sold during the year, less broker's commission.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION 1997 1996

Profit on Ordinary Activities Before
Taxation is Arrived at After Charging:-

Auditors' Remuneration	£117	£118
	===	===

3. DIRECTORS' EMOLUMENTS

The directors received no remuneration from the company during the year (1996: £nil).

4. TAXATION

The charge to U.K. Corporation Tax on the adjusted results for the year of £1,036 arises from tax credits and Income Tax on foreign income dividends written off. (1996: £1,470).

The company has corporation tax losses of £181,758 (1996: £201,735) which are available to be carried forward for set off against future profits from the same trade.

In addition, the company has capital losses of £515,805 (1996: £515,805) which are available to be carried forward for set off against future realised capital gains.

INVESTECO OVERSEAS HOLDINGS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

CONTINUED

5. FIXED ASSET INVESTMENTS

This represents the cost of listed investments held at 31st December 1997, less a provision in respect of a permanent diminution in value of £32,020. The market value of the listed investments at 31st December 1997 was £165,239 (1996: £94,564).

<u>6. DEBTORS</u>	<u>1997</u>	<u>1996</u>
Taxation Recoverable	-	77
Trade Debtors	51,120	-
	<u>£51,120</u>	<u>£77</u>
	=====	=====

7. CREDITORS: Amounts Falling Due Within One Year

	<u>1997</u>	<u>1996</u>
Accruals	117	118
Director's Current Account	12,239	12,239
	<u>£12,356</u>	<u>£12,357</u>
	=====	=====

8. SHARE CAPITAL

Authorised

	<u>1997</u>	<u>1996</u>
708,626 Ordinary Shares of £1 Each	708,626	708,626
164,568,000 Ordinary Shares of 2½p Each	4,114,220	4,114,220
177,154 5% Convertible Non-Cumulative Non-Voting Preference Shares of £1 Each	177,154	177,154
	<u>£5,000,000</u>	<u>£5,000,000</u>
	=====	=====

Allotted and Fully Paid

	<u>1997</u>	<u>1996</u>
708,626 Ordinary Shares of £1 Each	708,626	708,626
177,154 5% Convertible Non-Cumulative Non-Voting Preference Shares of £1 Each	177,154	177,154
	<u>£885,780</u>	<u>£885,780</u>
	=====	=====

The preference shares are convertible at the option of the preference shareholders into fully paid 2½p shares on the basis of twenty 2½p shares for every one convertible preference share.

INVESTECO OVERSEAS HOLDINGS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

CONTINUED

9.	<u>SHAREHOLDERS FUNDS</u>	<u>1997</u>	<u>1996</u>
	Profit and Loss Account		
	At 1/1/97	(731,222)	(818,076)
	Retained Profit for Year	19,576	86,854
	At 31/12/97	£ (711,646)	£ (731,222)
		=====	=====
	Called Up Share Capital at		
	1/1/97 and 31/12/97	£885,780	£885,780
		=====	=====
	Share Premium at 1/1/97 and 31/12/97	£22,474	£22,474
		=====	=====
	TOTAL SHAREHOLDERS FUNDS	£196,608	£177,032
		=====	=====
10.	<u>RELATED PARTY DISCLOSURES</u>		

In the opinion of the directors there are no disclosures required to draw attention to the possibility that the reported financial position and results may have been affected by the existence of related parties and by material transactions with them.