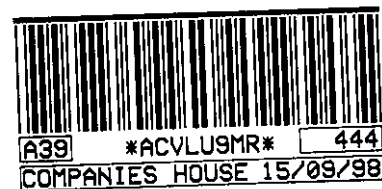


PERTH INVESTMENTS LIMITED
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1998



Registered in England and Wales Number 1142836

PERTH INVESTMENTS LIMITED

DIRECTORS' REPORT

The directors submit their report and accounts for the year ended 31 March 1998.

Principal activity

The Company has not traded during the year. Its financial position remains satisfactory.

Directors

The directors of the Company are:-

Save & Prosper Group Limited
Save & Prosper Broker Services Limited

Save & Prosper Group Limited was in office throughout the year. Save & Prosper Broker Services Limited joined the board as Corporate Director on 30 June 1998. M.L. Bassett resigned on 30 June 1998.

Directors' interests

The director, Save & Prosper Group Limited, was the beneficial owner of the whole of the called-up share capital of the Company throughout the year. No other director had an interest in the share capital of the Company, or in that of any group undertaking, except as set out below.

The directors had beneficial interests in the ordinary shares of the ultimate parent undertaking, Robert Fleming Holdings Limited, as follows:-

	<u>Shares</u>				
	1.4.97.			31.3.98.	
M.L. Bassett		49,830		50,253	
	<u>Options</u>				
	1.4.97.	Granted during the year	Exercised during the year	Lapsed during the year	31.3.98.
M.L. Bassett	3,204	-	-	-	3,204

Debentures

During the year the Company redeemed at par debenture stock with a nominal value of £319,150 (1997: £276,752). No debentures were issued during the year (1997: nil).

PERTH INVESTMENTS LIMITED
DIRECTORS' REPORT (CONTINUED)

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 judgements and estimates that are reasonable and prudent; and
- * 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.

European Monetary Union

European Monetary Union ("EMU") will have far reaching effects on the European financial markets in which we operate. A programme has been set up to assess the implications of European Monetary Union which will introduce a common currency, the Euro, in 11 countries from 1 January 1999.


The necessary operational and system changes have been identified and are currently being implemented. Costs relating to the EMU programme are being borne by Save & Prosper Group Limited.

Year 2000

The company has plans in place to ensure business continuity and compliance with regulatory requirements. These plans cover not only the implementation of changes in systems developed on our behalf or bought in from specialist developers but also the review of similar work undertaken by external service suppliers and customers.

It is not possible for any organisation to guarantee that no Year 2000 problems will arise because much of the risk relates to external parties. However, the Company believes that progress is broadly in line with industry and regulatory guidelines and that there are sufficient resources to deal promptly with any significant problems that may arise. Costs relating to the Year 2000 programme are being borne by Save & Prosper Group Limited.

Finsbury Dials
20 Finsbury Street
London EC2Y 9AY
28 August 1998


C.A.J. Bellringer
For and on behalf of
Save & Prosper Group Limited
Corporate Director

PERTH INVESTMENTS LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF PERTH INVESTMENTS LIMITED

We have audited the accounts on pages 4 to 6 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described in the directors' report 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

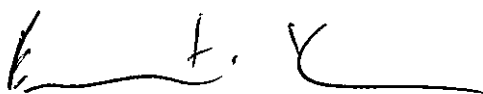
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by 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

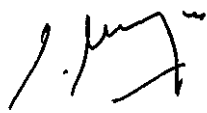
In our opinion the accounts give a true and fair view of the state of affairs of the Company at 31 March 1998 and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young
Registered Auditor
London
28 August 1998



PERTH INVESTMENTS LIMITED
BALANCE SHEET AT 31 MARCH 1998

	<u>Note</u>	<u>1998</u> £	<u>1997</u> £
Investments in subsidiary undertakings	2	547,210	547,210
Current assets			
Debtors	3	6,585,647	6,904,797
Creditors: amounts falling due within one year	4	(7,131,857)	(7,451,007)
Net current liabilities		(546,210)	(546,210)
Total assets less current liabilities		<u>£1,000</u>	<u>£1,000</u>
Capital and reserves			
Called-up share capital (equity interests)	5	<u>£1,000</u>	<u>£1,000</u>


C.A.J. Bellringer)
)
) For and on behalf of
 Save & Prosper Group Limited
 Corporate Director

28 August 1998

PERTH INVESTMENTS LIMITED
NOTES ON THE ACCOUNTS

1. Accounting policies

- a) The accounts are prepared in accordance with applicable accounting standards and under the historical cost convention.
- b) Group accounts have not been prepared as the Company is a wholly-owned subsidiary undertaking of a parent undertaking registered in England and Wales.

2. Investments in subsidiary undertakings

The Company's subsidiary undertakings, which are wholly-owned and registered in England and Wales, are:-

Progress Securities (Five) Limited
Progress Securities (Thirteen) Limited

In the opinion of the directors the aggregate value of investments in subsidiary undertakings is not less than the amount at which they are stated in the accounts.

Both subsidiary undertakings were dormant throughout the year.

3. <u>Debtors</u>	<u>1998</u> £	<u>1997</u> £
Amount owed by parent undertaking	<u>£6,585,647</u>	<u>£6,904,797</u>

4. Creditors: amounts falling due within one year

Guaranteed debenture stock	6,574,146	6,893,296
Amounts owed to subsidiary undertakings	<u>557,711</u>	<u>557,711</u>
	<u>£7,131,857</u>	<u>£7,451,007</u>

The Guaranteed Debenture Stock, created on 20 March 1974 and increased on 7 December 1976 and 4 May 1979, is interest free and comprises a series of debentures securing, or intending to secure £100 million.

The Registered Holder may, on 21 days written notice to the company, obtain redemption of his stock at par. The Company may, at any time on or after 31 March 2054, redeem all or any stock subject to not less than three months written notice.

PERTH INVESTMENTS LIMITED
NOTES ON THE ACCOUNTS (CONTINUED)

4. Creditors: amounts falling due within one year (continued)

The stock is guaranteed by Save & Prosper Group Limited and the trustees are the Governor and Company of the Bank of Scotland.

The debentures are secured by a first floating charge on all the assets of the Company, both present and future, including any uncalled capital.

5.	<u>Called-up share capital</u>	<u>1998</u>	<u>1997</u>
	Authorised, allotted, called up and fully paid:-		
	1,000 ordinary shares of £1 each	<u>£1,000</u>	<u>£1,000</u>

6. Profit and loss account

No profit and loss account has been prepared as the Company did not trade during the year. All expenses, including auditors' remuneration, have been borne by group undertakings.

7. Directors' remuneration

The directors received no remuneration during the year in respect of their services to the Company (1997: nil).

8. Cash flow statement

The Company had no cash flows during the year, consequently no cash flow statement has been prepared.

9. Ultimate parent undertaking

The parent undertaking is Save & Prosper Group Limited which is registered in England and Wales. The ultimate parent undertaking of the group of undertakings for which group accounts are drawn up, and of which the Company is a member, is Robert Fleming Holdings Limited, registered in England and Wales. Copies of the accounts of Robert Fleming Holdings Limited can be obtained from 25 Copthall Avenue, London EC2R 7DR.

As the Company is a wholly owned subsidiary undertaking it has taken advantage of an exemption under FRS8 and has not disclosed transactions with group companies and investees of the group qualifying as related parties.