

22-07-92

ABTRUST NEW EUROPEAN
INVESTMENT TRUST PLC.

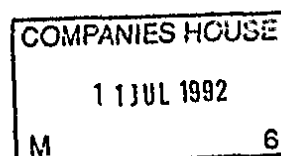


CONTENTS

Annual Review	<i>Page</i>
Directors and Appointments	2
Board of Directors	3
Chairman's Statement	4
Managers' Review	5
European Stockmarkets Analysis	7
Geographical Analysis	7
Twenty Largest Holdings	8
 Report and Financial Statements	
Directors' Report	10
Revenue Account	12
Balance Sheet	13
Cash Flow Statement	14
Notes to the Financial Statements	15
Auditors' Report	19
Statistical Information	20
Classification of Investments	21
 Annual General Meeting	
Notice of Meeting	22
Proxy	23



A member of The Association of Investment Trust Companies



DIRECTORS AND APPOINTMENTS

BOARD OF DIRECTORS

Sir David Thomson, Bt - (Chairman)
Christian Deblaye
Arne Jonsson
Michael Lielacher
John Morton
George Robb

MANAGERS

Abtrust Fund Managers Limited
10 Queen's Terrace
Aberdeen AB9 1QJ

SECRETARIES

Aberdeen Trust PLC
10 Queen's Terrace
Aberdeen AB9 1QJ

SOLICITORS

Herbert Smith
Exchange House
Primrose Street
London EC2A 2HS

REGISTERED OFFICE

99 Charterhouse Street
London EC1M 6AB
Registration Number: 2459069

REGISTRARS

Bank of Scotland
26A York Place
Edinburgh EH1 3EY

STOCKBROKERS

James Capel & Co Limited
James Capel House
6 Bevis Marks
London EC3A 7JQ

BANKERS

Bank of Scotland
38 Threadneedle Street
London EC2P 2EH

AUDITORS

KPMG Peat Marwick
Chartered Accountants
Royfold House
Hill of Rubislaw
Anderson Drive
Aberdeen AB9 1JE

BOARD OF DIRECTORS

Sir David Thomson, Bt is Chairman of the Company. He has been a director of the Life Association of Scotland since 1970 and of Cairn Energy since 1971. He is currently chairman of Jove Investment Trust PLC, Britannia Steam Ship Insurance Association Limited and Through Transport Marine Mutual Assurance Association and is actively involved in a number of other companies both within and outside the investment field.

Christian Deblaye is joint director in the institutional funds department of La Compagnie Financiere Edmond de Rothschild Banque. He is executive Vice President and director of Capital Risques Management, director of Gestion Management and ISE Cegos. He is also a director of Etoile Investment Management and Worth Investment Trust PLC.

Arne Jonsson graduated from Linköping University with a BA in economics in 1980. After military service, he joined the IKEA Group in 1981 as Assistant to the Chief Financial Officer and was located in Denmark. From 1985 to 1989 he worked in Switzerland as an Investment Manager with Inter IKEA with responsibility for global equity and bond investments. Since December 1989 Mr Jonsson has been located in Brussels as Chief Analyst and Adviser for equity investments in the Inter IKEA Group.

Michael Lielacher graduated from Vienna University of Economics in 1982. He joined Girozentrale in 1983 and, after postgraduate training, worked in their investment research and corporate finance departments. In 1986 he transferred to their institutional sales department. In February 1989 he joined First Austrian Bank as Head of Research, Sales and Dealing. At the end of April 1991 he left First Austrian Bank to set up a private investment bank in Vienna, Vindobona Privat Bank PLC.

John Morton has been involved in fund management since 1977 when he joined Hill Samuel Investment Management Limited. Prior to joining Abtrust Fund Managers Limited he worked for Schlesinger Investment Management Limited and Fraser Henderson Limited. He became a director of Abtrust Fund Managers in 1988, and has been responsible for the management of European funds for the past five years.

George Robb qualified as a Writer to the Signet in 1968 and practised as a Solicitor until 1971. In 1971 he became wholly involved in investment management, including the management of funds invested in Continental Europe, and in 1983 became one of the founding directors of Aberdeen Trust PLC. He is currently Chairman of Aberdeen Trust PLC and a director of Aberdeen Petroleum PLC, Abtrust Scotland Investment Company PLC, Radiotrust PLC and a number of other companies.

CHAIRMAN'S STATEMENT

During the year under review the performance of the European stock markets has been erratic with investors having to contend not only with the continued economic slow down but also a number of political factors such as the attempted coup in the Soviet Union and the continued unrest in Yugoslavia. The table of index movements on page 7 shows the performance of the individual markets in both local currency terms and adjusted for the movement of sterling. Most noteworthy was the under performance of a number of the markets in which the Company has a relatively high exposure, particularly Austria and Portugal. As I commented in my interim statement both markets continue to suffer from the lack of interest on behalf of international investors and in addition the Austrian market had to contend with events in neighbouring Yugoslavia. Since the end of 1991 both markets have recovered in performance terms with Portugal benefiting from the escudo entering the ERM on the wider band, with expectations of lower interest rates as the currency took over from the Spanish peseta as the strongest currency within the mechanism.

For much of the year, and in view of uncertainties surrounding both the European economies and interest rates, investors have focused on blue chips and less economically sensitive stocks. As a result of the boost to the German economy following unification, the Bundesbank has followed a tight monetary policy with the discount rate rising by 1.5% over the period to the highest level since the 1970s. The Bundesbank's last increase in rates was at the end of December when a clear sign was sent to both unions and employers that the Bundesbank would not accept excessive settlements in the Spring wage round. Given the constraints of the ERM other member countries also have had to retain a tight monetary stance.

During the course of the year, your Directors became concerned about the lack of progress the Spanish authorities were making in their attack on inflation. Accordingly, the exposure to Spain was approximately halved from 14.3% to 7.3% of the total net assets and the funds were switched to the larger markets of Germany and France where it was thought that the focus of attention of overseas investors would be on their return to Continental Europe. In the case of Germany we were also able to identify a number of companies who were reaping genuine benefits from the unification of the old East Germany. In no way does this detract from your Board's view that the smaller European stock markets offer the most attractive long-term value and I would emphasise Austria which continues to benefit from the development of Eastern Europe.

In the difficult investment environment throughout last year the undiluted net asset value of the Company's ordinary shares rose marginally from 77.5p as at 28 February 1991 to 77.9p as at 28 February 1992. Your Board has proposed to increase the final dividend by 20% to 0.3p for the year reflecting its confidence in the outlook for Continental Europe as the region moves towards a period of falling inflation and falling interest rates.

In the first quarter of 1992 signs of a pick up in the American economy, the relative strength of the US dollar, a cyclical improvement in margins and extensive corporate restructuring in Europe all point to more optimism regarding next year's earnings than might be expected at this stage of the recovery from last year's depressed economic conditions.

Michael Lielacher has expressed a wish to retire from the Board so that he can give more time to his other business activities and, as he is one of the Directors retiring by rotation, he is not standing for re-election. He has been of great assistance to us in the formative period of the Company and we shall miss him.



Sir David Thomson
Chairman

17 June 1992

MANAGERS' REVIEW

The bearish sentiment that surrounded European stock markets in the last quarter of 1991 has given way to a much more realistic view of the prospects for the European economies and more significantly the stock markets. Over the first two months of the current year markets moved up strongly partly in reaction to the strong rise on Wall Street but, more importantly, in reaction to the possibility of the Bundesbank reducing interest rates now that the German economy is showing signs of slowing.

The weighting in Germany has been increased over the course of the year from 12.3% to 18.5% of the total net assets. This reflects our belief that the outlook for the market will improve over the coming months as the uncertainties over the wage negotiations are cleared and inflation is seen to have peaked. The focus of the German portfolio is towards the medium sized companies where we believe genuine earnings growth exists within a difficult business environment. Westag & Getalit, our largest holding in Germany, is a fine example; the company is one of the largest manufacturers of laminated surfaces, doors and construction shuttering. Naturally, demand from East Germany is expected to remain strong over the next five years and we conservatively expect earnings per share to increase by over 20% in the current year, placing the stock on a prospective multiple of 10.5 times earnings compared to the market average of 14.5 times.

The exposure to France has also been increased from 11.7% to 15.9%, still below the FTA Europe ex UK index weighting of over 20%, but reflecting our confidence in the economy. The tight monetary policy of Mr Berezovoy has had a marked effect in controlling inflation which has remained low at 3.2% compared with an increase to 4.8% in Germany. Whilst the index performed well over the twelve months to end February we continue to find attractive value in the market especially amongst some of the blue chip cyclical stocks like CMB Packaging and Club Mediterranee together with less cyclical companies like Clarins, the international cosmetic company.

Whilst we continue to have a relatively high exposure in a number of the smaller European markets the halving of our weighting in the Spanish market reflects our short-term fears concerning inflation in that country, which remains stubbornly high at around 7.0%. This gives the Bank of Spain little scope to reduce interest rates, especially with the Olympic games approaching which is bound to lead to an influx of funds into the service sector of the economy, the very place where inflation remains strong. Once the outlook improves or the market fully reflects our fears we will consider increasing our weighting.

Austria remains a relatively heavy weighting and is focused towards the construction industry which we believe will benefit from the opportunities in Eastern Europe. In terms of turnover this market is more significant to the smaller Austrian companies as compared to the large German companies, which themselves are more highly rated by the stock market than their Austrian counterparts.

MANAGERS' REVIEW

Our largest holding in Austria, Maculan, is now the largest foreign construction company in East Germany and was contracted by the German Republic to construct flats in the Ukraine for the Russian troops that left German soil. The stock currently stands on a prospective earnings ratio of under 20 times compared to the German construction stocks which sell on multiples of twice this amount. In overall economic terms the comparison with Germany also looks favourable, real GDP in 1992 is estimated at 2.4% in Austria compared with 0.4% for Germany and Austrian inflation is expected to be 3.2% compared with 3.8% in Germany.

The Portuguese market has performed well since the escudo entered the ERM and interest rates have started to trend lower. The exposure in the market is broadly based with banks, construction stocks and food retailers. The market as a whole looks attractive but a doubt must remain as to when international investors will return in force. In the meantime the market stands on a multiple of 9.4 times current year earnings which with growth of over 15% should limit the downside risk.

The Scandinavian markets have performed relatively badly with Sweden having to contend with high inflation and Finland suffering from devaluation and a severe slow down in the economy which is very dependant on trade with the Soviet Union and the international paper market, both of which collapsed during last year. The outlook for Sweden is somewhat better with inflation coming under control and a move to address the complicated company share voting structures which will result in the Swedish contribution to the European index increasing.

Interest rates across Europe look set to fall over the next twelve months with the lead being taken by the Bundesbank as inflation and the money supply come under control. This, together with the continued recovery in the American economy, should lead to an upwards re-rating of European stock markets.

17 June 1992

Abtrust Fund Managers Limited

EUROPEAN STOCKMARKETS ANALYSIS

Stockmarket	28 February 1991	28 February 1992	Year on year % change	Year on year % change £ adjusted
Austria	495.7	453.3	-8.6	-7.1
Belgium	5586.7	5823.1	4.2	5.8
Denmark	346.0	347.5	0.4	0.6
Finland	1013.3	907.9	-10.4	-19.9
France	465.6	526.5	13.1	14.8
Germany	663.0	709.8	7.1	8.5
Italy	572.5	536.0	-6.4	-5.5
Netherlands	249.6	293.0	17.4	19.2
Norway	691.3	673.4	-2.6	-1.6
Portugal	2445.3	1912.6	-21.8	-19.2
Spain	264.1	266.5	0.9	1.4
Sweden	1070.1	940.4	-12.1	-8.8
Switzerland	700.2	809.5	15.6	12.1
FTA Europe Index (£)	98.7	107.2	8.6	8.6
Abtrust New European undiluted Net Asset Value	77.5p	77.9p	0.5	0.5

GEOGRAPHICAL ANALYSIS AND SUMMARY - 28 FEBRUARY 1992
CLASSIFICATION BY COUNTRY OF INCORPORATION AND SECURITY

Country	Notes	No. of Companies	Total %	Equity & Equity Related %	Percentage total net assets		
					Listed	Unlisted	
					Fixed Interest %	Equity & Equity Related %	Fixed Interest %
Germany	1	13	17.6	17.6			
France		12	15.9	14.8	1.1		
Austria		8	11.8	11.8			
Switzerland		6	8.3	8.3			
Spain		6	7.3	7.3			
Netherlands	2	6	7.3	5.9	1.4		
Italy		6	6.0	6.0			
Belgium		3	4.8	4.8			
Portugal		4	4.7	3.7		1.0	
Sweden		3	4.6	4.6			
Norway		4	4.1	4.1			
Finland		2	2.7	2.7			
Hungary	3	2	1.6	1.6			
Poland		1	0.7			0.7	
United Kingdom	4	2	1.7		0.7		1.0
	5	78	99.1	93.2	3.2	1.7	1.0
Other Net Assets			0.9				
			100.0				

Notes:

1. Excludes one listed equity holding amounting to 0.9% of total net assets whose principal activity is in Germany.
2. Includes one listed equity holding amounting to 0.9% of total net assets whose principal activity is in Germany.
3. Excludes one unlisted equity holding amounting to 1.0% of total net assets whose activity is in Hungary.
4. Includes one unlisted equity holding amounting to 1.0% of total net assets whose activity is in Hungary.
5. The total number of investments held at 28 February 1992 was 78 (1991 - 79).

TWENTY LARGEST HOLDINGS
28 FEBRUARY 1992

	<i>Market Value £</i>	<i>Total net assets %</i>
1 Astra 'B' (Sweden) Pharmaceutical company whose anti-ulcer drug Losec has become a best seller. Also very active in the anti-asthmatic field.	595,992	2.24
2 Maculan - Preference (Austria) One of Austria's largest construction companies and now the largest foreign contractor in East Germany. It was contracted by the German Republic to construct flats in the Ukraine for the Russian troops that left German soil.	582,227	2.18
3 Porr - Preference (Austria) One of Austria's largest construction companies mainly focused on the domestic market.	557,308	2.09
4 Colruyt (Belgium) A food retailer which operates at the discount end of the market. Its no frill, highly computerised stores offer goods at extremely competitive prices.	554,084	2.08
5 Clarins (France) The European leader in skincare products at the luxury, selective distribution end of the market.	541,469	2.03
6 Schmalbach Lubeca (Germany) Following recent acquisitions it has now become the third largest packaging group in Europe.	521,016	1.96
7 Westag & Getalit - Preference (Germany) A major producer of laminated parts, doors and construction shuttering in Germany.	501,598	1.88
8 Kardex (Switzerland) A manufacturer of office, retail and industrial storage and retrieval systems. Its units range from simple office filing systems to computerised stock retrieval systems several storeys high.	499,040	1.87
9 Soares Da Costa (Portugal) Portugal's largest construction company which is active in both the public work and civil construction segment of the market.	490,320	1.84
10 EVN (Austria) The energy (electricity and gas) supplier to the province of lower Austria which has diversified into related areas such as water supply and waste management.	487,679	1.83
Total of ten largest holdings	<u>5,330,733</u>	<u>20.00</u>

TWENTY LARGEST HOLDINGS
28 FEBRUARY 1992

	<i>Market Value £</i>	<i>Total net assets %</i>
Total of ten largest holdings	5,330,733	20.00
11 Ciba Geigy (Switzerland) The world's fifth largest ethnical drug and largest agrochemical company. Enjoys world leadership in dyestuffs, plastic additives and pigments.	484,338	1.82
12 Spar Handels (Germany) A food retailer which has developed a dominant position in eastern Germany following reunification.	473,521	1.78
13 Huhtamaki (Finland) A conglomerate with interest in confectionary, food, pharmaceuticals and packaging.	457,468	1.72
14 Ecco (France) France's largest employment agency and ranks third in the world. The Group also provides security and contract cleaning services to corporate clients.	456,623	1.71
15 Sarrio (Spain) A producer of cartonboard which is the third largest manufacturer in Europe.	438,893	1.65
16 Club Mediterranee (France) An up-market holiday company well known for its coastal resorts and ski villages.	423,930	1.59
17 Lufthansa (Germany) The national airline of Germany which has established cooperation agreements with US Air, Air France and Japan Air Lines.	420,748	1.58
18 Jenbacher Transportsysteme (Austria) A manufacturer of railway stock which is now the leading manufacturer in Hungary and the third largest in the UK.	408,214	1.53
19 Toro Assicurazioni (Italy) One of Italy's largest insurance companies which is controlled by the Agnelli family.	403,758	1.51
20 Chargeurs (France) A conglomerate with interests in textiles, transportation and communications, with a 16% stake in British Satellite Broadcasting.	388,692	1.46
Total of twenty largest holdings	9,686,918	36.35

DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the year ended 28 February 1992.

Review of the Business

A review of the Company's activities is given in the Chairman's Statement on page 4 and in the Managers' Review on pages 5 and 6.

Results and Dividends

A final dividend of 0.3p per share which will absorb £102,600 has been proposed and will be payable on 10 July 1992. The payment of the dividend will leave £62,238 to be transferred to reserves.

Principal Activity

The business of the Company is that of an investment trust, investing in Europe.

Fixed Assets

Information relating to fixed assets investments is given in note 5 to the financial statements.

Status

The Company has conducted, and intends to continue to conduct, its affairs so as to be able to seek Inland Revenue approval as an investment trust, approval for which is granted retrospectively in respect of each accounting period. The Inland Revenue approved the Company as an Investment Trust for the purpose of Section 842 ICTA 1988 for the period to 20 February 1991. The Company is not a "close" company for taxation purposes.

Directors

The Directors at the year end and their beneficial and non-beneficial interests in the share capital of the Company both at 28 February 1992 and 28 February 1991 were as follows:

	28 February 1991/1992			
	Ordinary Shares		Warrants	
	Beneficial	Non-Beneficial	Beneficial	Non-Beneficial
Sir David Thomson	12,494	-	2,000	-
C. Deblaye (appointed 30 October 1991)	-	-	-	-
A. Jonsson	10,000	-	2,000	-
M. Lielacher	5,000	-	1,000	-
A. J. Morton	10,000	3,000	2,000	600
G. A. Robb	5,000	-	1,000	-

DIRECTORS' REPORT

Mr G. A. Robb and Mr A. J. Morton are Directors of Abtrust Fund Managers Limited and Mr Robb is Chairman of Aberdeen Trust PLC. The former company is entitled to receive fees under the Management Agreement described in note 2.

The above interests were unchanged at the date of this report.

Mr A. Jonsson and Mr M. Lielacher retire by rotation and are eligible for re-election. Mr A. Jonsson offers himself for re-election. Mr M. Lielacher will not be standing for re-election.

Mr C. Deblaye, having been appointed during the year, offers himself for re-election.

No Director has a service contract with the Company.

Substantial Interests

The Board has been advised that the following shareholders owned 3% or more of the issued share capital of the Company at the date of this Report:-

<i>Shareholder</i>	<i>Number of Shares Held</i>	<i>% Held</i>
James Capel & Co Limited	2,997,128	8.8
British Empire Securities & General Trust PLC	2,100,000	6.1
City Merchants Investment Management Ltd	2,096,338	6.1
Liverpool Victoria Friendly Society	2,000,000	5.8
Coutts & Co	1,153,300	3.4
Rowntree Pension Fund	1,100,000	3.2

Auditors

KPMG Peat Marwick have indicated their willingness to remain in office. The Directors will place a resolution before the Annual General Meeting to reappoint KPMG Peat Marwick as auditors of the Company for the ensuing year

10 Queen's Terrace
Aberdeen AB9 1QJ
17 June 1992

By order of the Board
Aberdeen Trust PLC
Secretaries



REVENUE ACCOUNT

FOR THE YEAR ENDED 28 FEBRUARY 1992

		<i>Year to</i> 28.2.92	<i>Period from</i> 12.1.90 to 28.2.91
	<i>Notes</i>	£	£
Revenue			
Franked investment income		49,400	-
Unfranked investment income		607,705	605,378
Interest receivable on short-term deposits		59,998	579,570
		<u>17,103</u>	<u>1,184,948</u>
Administration expenses	2	(516,539)	(510,000)
Net revenue on ordinary activities before tax		<u>200,564</u>	<u>674,948</u>
Taxation	3	(35,726)	(319,648)
Net revenue on ordinary activities after tax		<u>164,838</u>	<u>355,300</u>
Dividends payable			
- final 0.30p per share (1991 - 0.25p)		(102,600)	(85,499)
- special 0.60p per share		-	(205,196)
		<u>(102,600)</u>	<u>(205,196)</u>
Retained profit for the year	13	<u>62,238</u>	<u>64,605</u>
Earnings per share			
- basic	4	<u>0.48p</u>	<u>1.04p</u>

The notes on pages 15 to 18 form part of the financial statements.
Movements in reserves are set out in notes 10 to 13.

ABTRUST NEW EUROPEAN INVESTMENT TRUST PLC

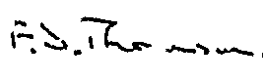
BALANCE SHEET

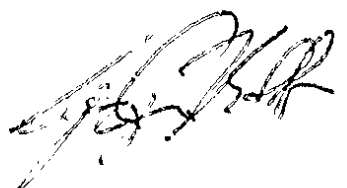
AS AT 28 FEBRUARY 1992

	Notes	1992		1991	
		£	£	£	£
Fixed asset investments					
Listed	5	25,688,910		25,719,409	
Unlisted		<u>720,648</u>		<u>193,500</u>	
		26,409,558		25,912,909	
Current assets					
Debtors	6	662,070		106,550	
Cash		<u>745,616</u>		<u>2,661,737</u>	
		1,407,686		2,768,287	
Current liabilities					
Creditors: Amounts falling due within one year	7	<u>1,169,824</u>		<u>2,179,993</u>	
Net current assets			237,862		588,294
Total assets less current liabilities			26,647,420		26,501,203
Provisions for liabilities and charges	8		<u>(488)</u>		<u>(8,828)</u>
			<u>26,646,932</u>		<u>26,492,375</u>
Capital and reserves					
Called up share capital	9	8,549,850		8,549,850	
Share premium account	10	24,627,594		24,629,873	
Capital reserve	11	(5,654,443)		(2,358,432)	
Unrealised depreciation reserve	12	(1,002,912)		(4,393,521)	
Profit and loss account	13	126,843		64,605	
		<u>26,646,932</u>		<u>26,492,375</u>	

The notes on pages 15 to 18 form part of the financial statements.

The financial statements were approved by the Board of Directors on 17 June 1992 and signed on its behalf by:

 Sir David Thomson
Chairman

 George Robb
Director

CASH FLOW STATEMENT

	Notes	1992 £	1991 £
Operating activities			
Cash received from investments		675,412	562,384
Interest received		73,207	563,034
Investment management fees paid		(307,667)	(253,965)
Cash paid to and on behalf of Directors		(48,335)	(34,742)
Other cash payments		<u>(162,760)</u>	<u>(110,403)</u>
Net cash inflow from operating activities	15	229,857	726,308
Returns on investments and servicing of finance			
Dividends paid		(290,695)	-
Unrealised exchange differences		<u>(58,612)</u>	<u>(249,103)</u>
Net cash outflow from returns on investments and servicing of finance		(349,307)	(249,103)
Taxation			
UK corporation taxation paid		(104,952)	-
Overseas tax paid		(125,986)	(143,947)
Income tax		<u>(98,757)</u>	<u>(77,017)</u>
Total tax paid		(329,695)	(220,964)
Investing activities			
Purchase of investments		(26,873,393)	(49,763,553)
Sales of investments		<u>25,408,696</u>	<u>18,989,326</u>
Net cash outflow from investing activities		<u>(1,464,697)</u>	<u>(30,774,227)</u>
Net cash outflow before financing		<u>(1,913,842)</u>	<u>(30,517,986)</u>
Financing			
Issue of shares net of expenses of issue		2,279	(33,179,723)
Net cash outflow (inflow) from financing		2,279	(33,179,723)
(Decrease) increase in cash and cash equivalents	16	<u>(1,916,121)</u>	<u>2,661,737</u>
		<u>(1,913,842)</u>	<u>(30,517,986)</u>

The notes on pages 15 to 18 form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 1992

1. Accounting Policies

The accounting policies adopted by the Company in the preparation of the financial statements to 28 February 1992 are as follows:

- (a) The financial statements have been prepared under the historical cost convention, modified to include the revaluation of fixed asset investments, and in accordance with applicable Accounting Standards.
- (b) Income and expenditure of a revenue nature are included in the Company's revenue account. Differences on exchange and gains and losses on realisation of investments are dealt with in the realised capital reserve. Increases and decreases in the valuation of investments held are dealt with in the unrealised depreciation reserve.
- (c) Income from investments consists of income received during the year, adjusted for income payable to the Company before the year end but not yet received. Interest receivable on temporary deposits, interest payable and administrative expenses are dealt with on an accruals basis.
- (d) Listed investments are included in the financial statements at market valuation using middle market prices. Unlisted investments are included in the financial statements at valuations determined by the Directors.
- (e) Overseas assets and liabilities are converted into sterling at the rate of exchange ruling at the balance sheet date. Transactions during the period involving foreign currencies are converted at the rate of exchange ruling at the transaction date.
- (f) The charge for taxation is based on the net revenue for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision for deferred taxation is made to the extent that such taxation is expected to become payable in the foreseeable future.

2. Administration Expenses

	1992	1991
	£	£
Management fee	303,766	329,092
Directors' fees	45,528	42,987
Auditors' remuneration	6,366	6,000
Bank interest payable	22,356	368
Other expenses	138,523	131,553
	<u>516,539</u>	<u>510,000</u>

The Company has an agreement with Abtrust Fund Managers Limited for the provision of management services. During the period the management fee was payable quarterly in arrears and was based on an annual amount of 1% of the Company's investments plus uninvested cash valued quarterly. The agreement is terminable on two years' notice.

The Company does not have any employees.

NOTES TO THE FINANCIAL STATEMENTS

3. Taxation

	1992 £	1991 £
The taxation charge is based on revenue for the year as follows:		
Corporation tax at 25% (1991 - 32.9%)	46,346	213,922
Deferred taxation (Note 8)	(12,182)	8,828
Advance corporation tax	-	96,898
Tax on franked investment income	6,175	-
Prior year adjustment	(66,185)	-
Relief for overseas taxation	(86,572)	(143,947)
	(112,418)	175,701
Overseas taxation	148,144	143,947
	<u>35,726</u>	<u>319,648</u>

4. Earnings Per Share

The earnings per share are based on earnings of £164,838 (1991 - £355,300) and on 34,199,400 ordinary shares of 25p each in issue for the year.

The fully diluted earnings per share is not shown as in accordance with Statement of Standard Accounting Practice No. 3 it is in excess of the earnings per share based on average issued share capital.

5. Fixed Asset Investments

	Listed £	Unlisted £	Total £
Valuation at 1 March 1991	25,719,409	193,500	25,912,909
Unrealised depreciation	4,144,418	-	4,144,418
Book cost at 1 March 1991	29,863,827	193,500	30,057,327
Acquisitions at cost	25,581,677	531,637	26,113,314
Disposals at cost	(29,065,818)	-	(29,065,818)
Book cost at 28 February 1992	26,379,686	725,137	27,104,823
Unrealised depreciation	(690,776)	(4,489)	(695,265)
Valuation at 28 February 1992	<u>25,688,910</u>	<u>720,648</u>	<u>26,409,558</u>

All of the Company's investments are made either directly or indirectly in European companies.

6. Debtors

	1992 £	1991 £
Stock market settlements	397,486	36,307
Other debtors	28,436	63,201
Tax recoverable	236,148	7,042
	<u>662,070</u>	<u>106,550</u>

NOTES TO THE FINANCIAL STATEMENTS

7. Creditors: Amounts Falling Due Within One Year	1992	1991
	£	£
Stock market settlements	917,760	1,677,839
Other creditors	115,264	114,561
Advance corporation tax payable	34,200	96,898
Dividend payable	102,600	290,695
	<u>1,169,824</u>	<u>2,179,993</u>
8. Provisions for Liabilities and Charges	1992	1991
	£	£
Provision for deferred taxation on accrued income	<u>488</u>	<u>8,828</u>
9. Called Up Share Capital	Authorised	Issued and fully paid
	£	£
Ordinary shares of 25p each	<u>15,000,000</u>	<u>8,549,850</u>
At 28 February 1992 there were in issue 6,839,880 warrants to subscribe for one ordinary share at 100p on 31 May in any of the years 1993 to 2000 inclusive.		
10. Share Premium	£	
At 1 March 1992	24,629,873	
Less: Expenses written off	(2,279)	
At 28 February 1992	<u>24,627,594</u>	
11. Capital Reserve	£	
At 1 March 1991	(2,358,432)	
Gain on sale of investments	1,378,144	
Loss on sale of investments	(4,674,155)	
At 28 February 1992	<u>(5,654,443)</u>	
The capital reserve represents the net profit/(loss) realised on the sale of investments. In terms of the Company's Articles of Association, the capital reserve and any unrealised appreciation reserve may not be distributed as dividend.		
12. Unrealised Depreciation Reserve	£	
At 1 March 1991	(4,393,521)	
Investment appreciation	3,449,221	
Exchange differences	(58,612)	
At 28 February 1992	<u>(1,002,912)</u>	

NOTES TO THE FINANCIAL STATEMENTS

13. Revenue Reserve	£
At 1 March 1991	64,605
Retained revenue for year	<u>62,238</u>
At 28 February 1992	<u>126,843</u>

14. Contingent Liabilities

There were no contingent liabilities at 28 February 1992.

15. Reconciliation of Operating Loss to Net Cash Outflow from Operating Activities

	<i>1992</i>	<i>1991</i>
	<i>£</i>	<i>£</i>
Profit before taxation	200,564	674,948
Decrease (increase) in accrued income	31,516	(59,530)
Decrease (increase) in other debtors	3,249	(3,671)
Increase in creditors	703	114,561
Tax on franked investment income included within income from UK companies	<u>(6,175)</u>	<u>-</u>
Net cash inflow from operating activities	<u>229,857</u>	<u>726,308</u>

16. Analysis of Changes in Cash and Cash Equivalents During Year

	<i>1992</i>	<i>1991</i>
	<i>£</i>	<i>£</i>
Balance at 1 March 1991	2,661,737	-
Net cash - inflow	-	2,661,737
- outflow	<u>(1,916,121)</u>	<u>-</u>
Balance at 28 February 1992	<u>745,616</u>	<u>2,661,737</u>

ABTRUST NEW EUROPEAN INVESTMENT TRUST PLC

AUDITORS' REPORT TO THE MEMBERS OF
ABTRUST NEW EUROPEAN INVESTMENT TRUST PLC

We have audited the financial statements on pages 12 to 18 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 28 February 1992, and of its revenue and cash flows for the year to 28 February 1992 and have been properly prepared in accordance with the Companies Act 1985.

KPMG Peat Marwick.

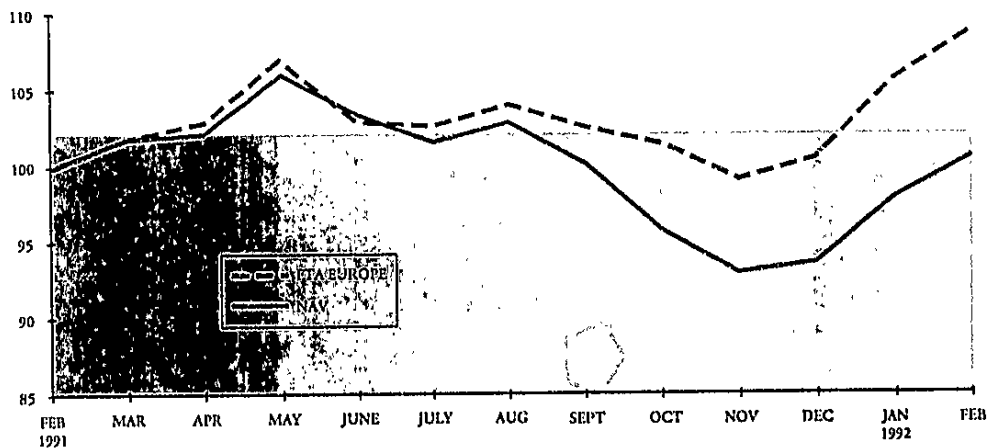
KPMG Peat Marwick
Chartered Accountants
Registered Auditor
Aberdeen

17 June 1992

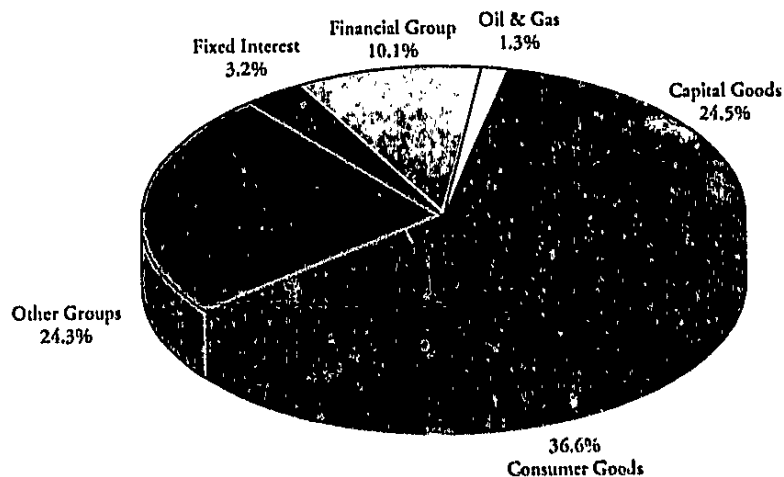
ABTRUST NEW EUROPEAN INVESTMENT TRUST PLC

STATISTICAL INFORMATION

ABTRUST NEW EUROPEAN INVESTMENT TRUST PLC VS. FTA EUROPEAN (EX UK) £ INDEX



CLASSIFICATION OF INVESTMENTS - 28 February 1992



ABTRUST INVESTMENT TRUST SAVINGS PLAN

Abtrust New European Investment Trust is a participant in the Abtrust Investment Trust Saving Plan which is administered by Abtrust Fund Managers Limited. Investors can invest from a minimum of £25 a month or, if preferred, a lump sum investment in the Plan of a minimum of £250 and obtain the benefits of low dealing costs. Details can be obtained from the Managers.

CLASSIFICATION OF INVESTMENTS


Based on Valuations 28 February	1992	1991
	%	%
Percentage of total net assets in each class of security		
Preference shares and fixed income securities	3.2	1.8
Convertible stocks	1.0	-
Equities	94.9	96.0
Total investments	99.1	97.8
Other net assets	0.9	2.2
	<u>100.0</u>	<u>100.0</u>
Geographical distribution by activity of investments as percentage of total net assets		
Austria	11.8	11.7
Belgium	4.8	1.3
Denmark	-	2.7
Finland	2.7	1.5
France	15.9	11.7
Germany	18.5	12.3
Hungary	2.6	1.7
Italy	6.0	5.6
Netherlands	6.4	7.1
Norway	4.1	6.4
Poland	0.7	0.7
Portugal	4.7	5.3
Spain	7.3	14.3
Sweden	4.6	6.9
Switzerland	8.3	6.8
United Kingdom	0.7	1.8
	99.1	97.8
Other net assets	0.9	2.2
	<u>100.0</u>	<u>100.0</u>
Sectoral analysis		
Construction and building materials	10.9	17.3
Engineering	10.9	12.1
Metals and mining	2.4	3.0
Food manufacturing	-	4.7
Consumer and healthcare	8.6	5.6
Pharmaceuticals and chemicals	12.2	3.4
Retailing	6.4	6.1
Packaging and paper	6.7	2.3
Environmental	2.4	2.9
Business and consumer services	10.4	11.1
Shipping and transport	3.0	3.2
Utility	2.8	1.5
Holding company	4.0	1.4
Miscellaneous	3.9	1.4
Oil and gas	1.3	5.4
Financials	8.5	12.6
Property	1.5	2.0
	95.9	96.0
Fixed interest	3.2	1.8
Total investments	99.1	97.8
Other net assets	0.9	2.2
	<u>100.0</u>	<u>100.0</u>

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the second Annual General Meeting of members will be held at 99 Charterhouse Street, London EC1M 6AB, at 12.15pm on Thursday 9 July 1992 for the following purposes:

1. To receive and adopt the Directors' report and financial statements for the year ended 28 February 1992, together with the auditors' report thereon.
2. To approve a final dividend.
3. To re-elect Mr A. Jonsson as a Director.
4. To re-elect Mr C. Deblaye as a Director, having been appointed to the Board during the year.
5. To approve the re-appointment of KPMG Peat Marwick as auditors and to authorise the Directors to agree their remuneration.

10 Queen's Terrace
Aberdeen AB9 1QJ
17 June 1992



By order of the Board
Aberdeen Trust PLC
Secretaries

Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy or proxies, to attend and on a poll to vote instead of him. A proxy need not be a member of the Company. A form of proxy for use by shareholders appears on page 23 of the report which, if required, should be detached and completed in accordance with the instructions set out therein.
2. Instruments of proxy and the power of attorney or other authority, if any, under which they are signed or a notorially certified copy of that power of authority should be sent to Bank of Scotland, Registrar Department, 26A York Place, Edinburgh EH1 3EY, so as to arrive not less than forty eight hours before the time fixed for the meeting.
3. No Director has a service contract with the Company.
4. The Register of Directors' interests is kept by the Company in accordance with Section 325 of the Companies Act 1985 and will be open for inspection at the meeting.

ABTRUST NEW EUROPEAN INVESTMENT TRUST PLC

PROXY

Please complete in block capitals

I/we\$
of
being (a) shareholder(s) of the above named company hereby appoint *the chairman of the meeting/
as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Thursday 9 July 1992 and at any adjournment thereof.

I/we direct my/our proxy to vote on the resolutions as set out in the notice convening the Annual General Meeting as follows:

Resolution		For	Against
1. Directors' report and accounts	**		
2. Dividend	**		
3. Re-election of Mr. A. Jonsson	**		
4. Re-election of Mr. C. Deblaye	**		
5. Re-appointment of auditors	**		

Signed this day of 1992

To be valid, the form of proxy must be lodged with The Registrars, Abtrust New European Investment Trust PLC, Bank of Scotland, Registrars Department, 26A York Place, Edinburgh EH1 0AA, not less than forty-eight hours before the time fixed for the meeting

\$ In the case of joint holders, the signature of any one holder will be sufficient. In the case of a corporation, the proxy should be executed under its common seal or under the hand of an officer/attorney, duly authorised in writing on its behalf.

* If it is desired to appoint any other person as a proxy, strike out "the chairman of the meeting".

** Please indicate how you wish your vote to be cast by placing an "X" in the appropriate box. Unless otherwise indicated the proxy will exercise his discretion both as to how to vote and as to whether or not he abstains from voting.



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BUSINESS REPLY SERVICE
Licence No. EH 470

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First Fold

The Registrars
Abtrust New European
Investment Trust PLC
Bank of Scotland
Registrar Department
26A York Place
Edinburgh EH1 0AA

Second Fold