

Company Number: 225012

FOREIGN HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 1996



DIRECTORS' REPORT

The directors submit their annual report, together with the audited financial statements, for the year ended 31 December 1996.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The Company is a nominee company and did not trade during the year.

DIRECTORS AND DIRECTORS' INTERESTS

The directors who held office during the year and their disclosable interests in the shares, options and debentures of group companies were as follows:

	Loan Notes of £1 each in Dresdner Investments (UK) plc <u>31 December 1996</u>	Loan Notes of £1 each in Dresdner Investments (UK) plc <u>31 December 1995</u>
P E Churchill-Coleman	-	-
R Colbran	-	5,089

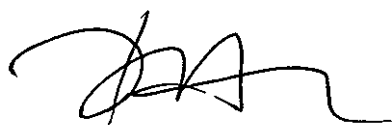
C R Spencer retired as director of the Company on 31 December 1996.

None of the directors had any interests in the share capital of the Company. None of the directors had any other disclosable interests. The directors are exempt from disclosing their interests in the shares or debentures of the ultimate parent company, Dresdner Bank AG, as it is incorporated outside the UK.

AUDITORS

The Company has passed an Elective Resolution in accordance with Section 379A Companies Act 1985 to dispense with the annual appointment of auditors; accordingly Coopers & Lybrand will remain in office.

Approved by the Board of Directors
Signed on behalf of the Board



P A M Bentick-Owens
Secretary

20 Fenchurch Street
London EC3P 3DB

3 October 1997

STATEMENT OF 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 as at the end of the financial year and of the profit or loss of the Company for that 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;
- 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.

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 4 and 5.

Respective responsibilities of directors and auditors

As described on page 2 the Company's directors are responsible for the preparation of 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.

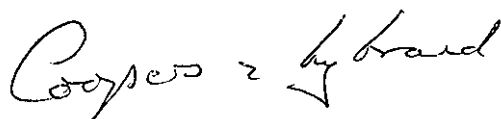
Basis of opinion

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 31 December 1996 and have been properly prepared in accordance with the Companies Act 1985



Coopers & Lybrand
Chartered Accountants and
Registered Auditors
1 Embankment Place
London
WC2N 6NN


31 October 1997

BALANCE SHEET
as at 31 December 1996

	Note	1996 £	1995 £
Current assets			
Debtors:			
Amounts owed by group undertakings		100	100
		<u>100</u>	<u>100</u>
Capital and reserves			
Called up share capital	3	100	100
Equity shareholders' funds		<u>100</u>	<u>100</u>

These financial statements were approved by the Board of Directors on 3 October 1997

Signed on behalf of the Board of Directors



P E Churchill-Coleman
Director

The notes on page 5 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 1996

1. ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention. The particular accounting policies adopted are described below.

b) Cash flow statement

These financial statements do not include a cash flow statement as required by Financial Reporting Standard No.1 as a consolidated cash flow statement is prepared by Kleinwort Benson Group plc, the parent company as at 31 December 1996.

c) Disclosure of related party transactions

Foreign Holdings Limited is a wholly owned subsidiary of Kleinwort Benson Group plc, the consolidated financial statements of which are publicly available. Accordingly advantage is taken in these financial statements of the exemptions available in Financial Reporting Standard No.8 for disclosure of transactions with entities that are part of the group or investees of group entities as related parties.

2. TRADING

The Company did not trade during the year and made neither a profit nor a loss. There were no movements on shareholders' funds nor any other recognised gains or losses. The expenses of the Company have been borne by Kleinwort Benson Limited, an intermediate parent company.

3. CALLED UP SHARE CAPITAL

	1996 £	1995 £
Authorised		
100 ordinary shares of £1 each	100	100
Allotted and called up	100	100
100 ordinary shares of £1 each	100	100

4. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is Dresdner Bank AG, a company incorporated in Germany. The parent undertaking of the smallest group of which the company is a member is Kleinwort Benson Group plc, a company incorporated in Great Britain and registered in England and Wales. Copies of the consolidated financial statements will be filed in due course at the Companies Registration Office, Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.