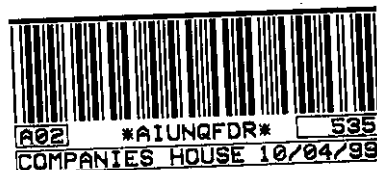


SHARELINK NOMINEES LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1998

Registered Number: 2325911



SHARELINK NOMINEES LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 1998

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SHARELINK NOMINEES LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 1998.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the Company is that of a nominee holder of marketable securities on behalf of clients of Charles Schwab Europe. As the Company has not traded during the year, and has made neither profit nor loss, no profit and loss account has been prepared.

DIRECTORS

During the period under review, members of the board of directors have been as follows:

M W Lambert	
J H Preece	
L E Valencia	(American - appointed 7 January 1999)
R S Duste	(American - appointed 7 January 1999)
J R Martinetto	(American - appointed 7 January 1999)
C Hayward	(Appointed 7 January 1999)
T Whittaker	(Appointed 7 January 1999)

DIRECTORS' INTERESTS

No director had a beneficial interest in the share capital of the Company during the year ended 31 December 1998.

There are no directors' interests requiring disclosure under the Companies Act 1985.

DIRECTORS' RESPONSIBILITIES

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;
- * state whether applicable accounting standards have been followed;
- * make judgements and estimates that are reasonable and prudent; and
- * prepare the accounts on a going concern basis unless it is appropriate 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.

YEAR 2000

The Company uses the computer systems of its immediate parent undertaking, Charles Schwab Europe.

The immediate parent undertaking is currently modifying its computer systems in order to enable its systems to process data and transactions incorporating year 2000 dates without material errors or interruptions.

The immediate parent undertaking's year 2000 compliance efforts are directed towards defined categories of actions, which include awareness, inventory, assessment, remediation, testing, installation, contingency planning, and vendor management.

Assuring that the immediate parent undertaking's mission critical systems achieve year 2000 compliance, i.e. that they will operate without material errors or interruptions when processing data and transactions incorporating year 2000 dates, has received the highest priority in its year 2000 compliance efforts. "Mission critical" systems means systems critical to the ongoing operation of the business.

The costs of completing the year 2000 project are being borne by the immediate parent undertaking.

SHARELINK NOMINEES LIMITED

DIRECTORS' REPORT (continued)

ELECTIVE RESOLUTIONS

In accordance with Section 379A of the Companies Act 1985, the Company, at an Extraordinary General Meeting held on 21 June 1993 passed elective resolutions to dispense with the requirements to lay financial statements and reports before General Meeting and to hold Annual General Meetings.

AUDITORS

Pursuant to Section 386 of the Companies Act 1985, the Company passed an elective resolution on 16 December 1997 to dispense with the obligation to appoint auditors annually.

BY ORDER OF THE BOARD



JOHN PREECE
Secretary
Birmingham

Date: 26 March 1999

**AUDITORS' REPORT TO THE MEMBERS OF
SHARELINK NOMINEES LIMITED**

We have audited the financial statements on pages 5 and 6, which have been prepared under the accounting policies set out on page 6.

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 mis-statement, 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 at 31 December 1998, and of its result for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

DELOITTE & TOUCHE

Chartered Accountants and Registered Auditors
Stonecutter Court
1 Stonecutter Street
LONDON EC4A 4TR

Date: *26 March 1999*


SHARELINK NOMINEES LIMITED

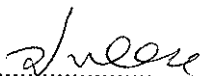
BALANCE SHEET

At 31 December 1998

	Note	31-Dec-98 £	31-Dec-97 £
CURRENT ASSETS			
Amount owed by parent undertaking		2	2
NET ASSETS		<u>2</u>	<u>2</u>
CAPITAL AND RESERVES			
Called up share capital	3	2	2
EQUITY SHAREHOLDERS' FUNDS		<u>2</u>	<u>2</u>

The financial statements on pages 5 and 6 were approved by the board of directors on 26 March 1999 and were signed on its behalf by:


.....
C HAYWARD Director


.....
J H PREECE Director

SHARELINK NOMINEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1998

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below:

Basis of Accounting

The financial statements have been prepared on the historical cost basis of accounting.

Trading

The Company has not traded during the year or the previous period and has therefore made neither a profit nor a loss. The expenses of the Company, including audit fees, have been borne by Charles Schwab Europe, the immediate parent company.

2 STAFF COSTS

There were no employees of the Company during the year ended 31 December 1998 and the year ended 31 December 1997.

Neither director received any emoluments in respect of their services during the year.

3 SHARE CAPITAL

	31-Dec-98 £	31-Dec-97 £
Authorised:		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up, and fully paid:		
Ordinary shares of £1 each	<u>2</u>	<u>2</u>

4 IMMEDIATE PARENT UNDERTAKING

The Company is a subsidiary of Charles Schwab Europe, a company incorporated in Great Britain and registered in England and Wales. Group financial statements are available from Companies House at Crown Way, Maindy, Cardiff, CF4 3UZ.

5 ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is The Charles Schwab Corporation, a company incorporated in the United States of America. Group financial statements are available from The Charles Schwab Corporation, 101 Montgomery Street, San Francisco, CA 94101, United States of America.