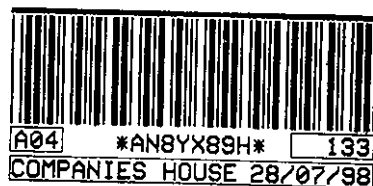


LAMBERT SMITH HAMPTON GROUP (OVERSEAS) LIMITED

REG NO: 2510387

REPORT & ACCOUNTS

31 JANUARY 1998



Report of the Directors

Directors: J B Brown
N S Stagg
R G Pavitt

Secretary: R G Pavitt

Registered Office: Regent Arcade House, 19-25 Argyll Street,
London W1V 1AA

The directors present their report and audited accounts for the year ended 31 January 1998.

Principal Activities and Review Of Business Developments

The company was formed to act as a holding company for companies acting as consultant surveyors and valuers in overseas countries.

On 1 April 1996, the entire share capital of the company's parent, Lambert Smith Hampton Group Limited, was acquired by Herring Baker Harris Group plc by way of a reverse takeover. As a result the company has extended its accounting period by one month to thirteen months to be co-terminus with Herring Baker Harris Group plc.

The directors do not recommend payment of a dividend (1997: Nil).

Directors

The directors of the company during the year ended 31 January 1998 were those listed above.

Directors' Interests

Under the Companies Act 1985, it is required that directors, other than those who are also directors of a holding company, disclose any interest in shares or options held by them and their families in the holding company as at 31 January 1998.

Messrs. J B Brown and N S Stagg are directors of Lambert Smith Hampton plc and as such their interests are disclosed in the accounts of that company.

	Lambert Smith Hampton plc Ordinary 10p shares 31 January 1998	Lambert Smith Hampton plc Ordinary 10p shares 31 January 1997
R G Pavitt	30,150	30,150

Report of the Directors (continued)

Auditors

In accordance with S252 of the Companies Act 1985 a resolution not to re-appoint auditors will be proposed at the forthcoming Annual General Meeting.

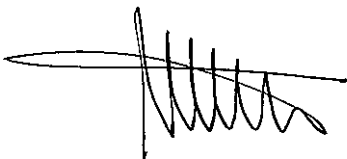
Statement Of Directors' Responsibilities

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;
- make judgments 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 accounts;
- 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.

By Order of the Board



R G Pavitt
Secretary

30 June 1998

Report of the Auditors

To the Members of Lambert Smith Hampton Group (Overseas) Limited

We have audited the accounts set out on pages 4 to 7.

Respective Responsibilities of Directors and Auditors

As described on page 2 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

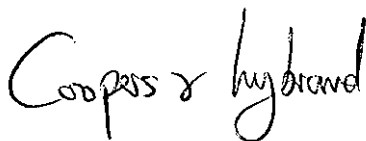
Basis of Opinion

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 judgments 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 the company's affairs at 31 January 1998 and of its profit and total recognised gains and losses for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Coopers & Lybrand
Chartered Accountants and Registered Auditors
London

23 July 1998

Profit & Loss Account

For the period ended 31 January 1998

	Year 1998 £	13 Months 1997 £
Exceptional gain on waiver of inter-company debt	<u>-</u>	<u>8,446</u>
Profit on ordinary activities before taxation	<u>-</u>	<u>8,446</u>
Tax on profit on ordinary activities	-	-
Retained profit for the period	<u>-</u>	<u>8,446</u>

A statement of movement on the reserve is given in note 6.

The company has no recognised gains and losses other than those included in the profit above and therefore no separate statement of total recognised gains and losses has been presented.

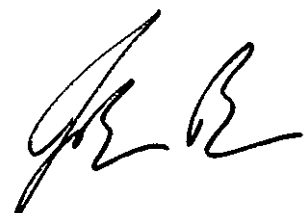
Balance Sheet
As at 31 January 1998

	Notes	1998 £	1997 £
Fixed assets and investments current assets	3	27	27
Amounts owed by group undertakings		<u>2</u>	<u>2</u>
Net current assets		<u>2</u>	<u>2</u>
Total assets less current liabilities		29	29
Creditors			
Amounts falling due after more than one year	4	<u>(27)</u>	<u>(27)</u>
		<u>2</u>	<u>2</u>
Capital and reserves			
Called up Share Capital	5	2	2
Profit and Loss Account	6	<u>-</u>	<u>-</u>
		<u>2</u>	<u>2</u>

The Company did not trade during the year and therefore no profit and loss account is included.

In accordance with Section 250 of the Companies Act 1985, it is confirmed that the company was dormant throughout the period to 31 January 1998.

These accounts were approved by the Board of Directors on 30 June 1998 and signed on its behalf by



J B Brown
Director

The notes on pages 6 to 7 form part of these accounts.

Notes to the Accounts

For the period ended 31 January 1998

1 Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's accounts.

(a) Basis of preparation

The accounts have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

(b) Investments are stated at cost less provisions for permanent diminution in value.

(c) The company is exempt by virtue of S228 of the Companies Act 1985 from the requirement to prepare group accounts.

2 Directors Emoluments

No remuneration was paid to any director during the period (1997: Nil).

3 Fixed Asset Investments

	£
Shares in group undertakings	
Cost at 31 January 1997	<u>27</u>
Cost at 31 January 1998	<u>27</u>

The Company's principal subsidiaries are:

	Country of Incorporation	Nature of Business	Proportion of Shares Held	Holding
Lambert Smith Hampton Ltd	Republic of Ireland	Surveyors & Valuers	100%	Ordinary Shares
Lambert Smith Hampton Group Inc.	USA	Holding Co.	100%	Ordinary

Notes to the Accounts (continued)

For the period ended 31 January 1998

4 Creditors

Amounts falling due after more than one year:

	1998 £	1997 £
Amounts owed to parent undertakings	25	25
Amounts owed to subsidiary undertaking	<u>2</u>	<u>2</u>
	<u>27</u>	<u>27</u>

5 Called Up Share Capital

1998 & 1997

Authorised: 100 Ordinary Shares of £1 each	<u>£100</u>
Share Capital Allotted, Called Up and Fully Paid: 2 Ordinary Shares of £1 each	<u>£ 2</u>

6 Movement on Reserves

	1998 £	1997 £
Profit and Loss Account:		
At 31 January 1997	-	(8,446)
Profit for the period	<u>-</u>	<u>8,446</u>
At 31 January 1998	<u>-</u>	<u>-</u>

7 Ultimate Parent Undertaking

The ultimate parent undertaking is Lambert Smith Hampton plc, a company incorporated in England and registered in England and Wales, the accounts of which can be obtained from the Company Secretary, Prince Frederick House, 37 Maddox Street, London W1R 9LD.