

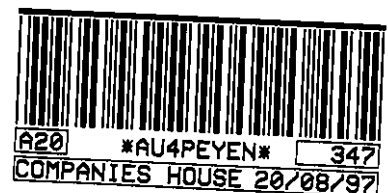
CMC ASSET MANAGEMENT LIMITED

REPORT AND FINANCIAL STATEMENTS

31ST MARCH 1997

COMPANY REGISTRATION NUMBER: 2686210

Kidsons Impey
Chartered Accountants
Spectrum House
20-26 Cursitor Street
London EC4A 1HY



CMC ASSET MANAGEMENT LIMITED

DIRECTORS' REPORT

31st March 1997

The directors have pleasure in presenting their report and the audited financial statements for the year ended 31st March 1997.

Results and dividends

The company did not trade during the year.

Directors

The directors of the company and their interests in the shares of the company were as follows:-

	Ordinary shares of £1 each	
	31st March 1997	31st March 1996
P.A. Cruddas (Chairman)	-	-
A. Pabari	-	-

P.A. Cruddas has an interest in the share capital of the parent undertaking, Currency Management Corporation plc, as disclosed in the directors' report of that company. The other director has no interest in the share capital of the group.

Directors' responsibilities

The directors are required under company law to prepare financial statements 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 these financial statements the directors are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- state whether Accounting Standards have been followed, and give details of any departures; and
- prepare the financial statements on a going concern basis unless in the directors' view the company will be unable to continue in business.

The directors are also responsible for:

- keeping proper accounting records;
- safeguarding the company's assets; and
- taking reasonable steps for the prevention and detection of fraud.

CMC ASSET MANAGEMENT LIMITED


DIRECTORS' REPORT

31st March 1997
(continued)

Auditors

A resolution to reappoint Kidsons Impey as auditors of the company will be proposed at the forthcoming Annual General Meeting.

By order of the board


T. Greenwood

Secretary

Registered office:

11 Old Jewry
London EC2R 8DU

16th June 1997

CMC ASSET MANAGEMENT LIMITED

AUDITORS' REPORT

Auditors' report to the members of CMC Asset Management Limited

We have audited the financial statements on pages 4 and 5 which have been prepared under the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1 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 31st March 1997 and have been properly prepared in accordance with the Companies Act 1985.

Kidsons Impey
Kidsons Impey

Registered Auditors

Chartered Accountants

London

16th June 1997

CMC ASSET MANAGEMENT LIMITED

BALANCE SHEET

as at 31st March 1997

	Note	1997 £	1996 £
Current assets			
Debtors	2	11,746	11,746
Cash at bank and in hand		<u>2,139</u>	<u>2,139</u>
		<u>13,885</u>	<u>13,885</u>
Capital and reserves			
Called up share capital	3	10,000	10,000
Profit and loss account	4	<u>3,885</u>	<u>3,885</u>
Equity shareholders' funds	5	<u>13,885</u>	<u>13,885</u>

The company did not trade in the year or the previous year.

The financial statements on pages 4 and 5 were approved by the board of directors on 16th June 1997.



P.A. Cruddas - Director

CMC ASSET MANAGEMENT LIMITED

NOTES ON FINANCIAL STATEMENTS

31st March 1997

1 Principal accounting policies

Basis of accounting

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

2 Debtors

	1997 £	1996 £
Amount due from parent undertaking	<u>11,746</u>	<u>11,746</u>

3 Share capital

Authorised

100,000 ordinary shares of £1 each

<u>100,000</u>	<u>100,000</u>
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Issued and fully paid

10,000 ordinary shares of £1 each

<u>10,000</u>	<u>10,000</u>
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4 Profit and loss account

At 1st April 1996 and 31st March 1997

<u>3,885</u>	<u>3,885</u>
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5 Movements in shareholders' funds

Opening and closing shareholders' funds

<u>13,885</u>	<u>13,885</u>
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6 Ultimate parent undertaking

The company's ultimate parent undertaking is Currency Management Corporation plc, a company registered in England.