

CATER ALLEN GLOBAL MARKETS LIMITED

Report and Accounts

30 April 1997



DIRECTORS' REPORT

The directors submit their report and balance sheet as at 30th April, 1997.

Review of the business

The company did not trade during the year.

Directors and their interests

The directors who served during the year were:

M.R.D.Evans Chairman
N.H.D.Ryder

In accordance with the Articles of Association the directors are not subject to retirement by rotation.

None of the directors had an interest in the shares of any of the subsidiary companies of Cater Allen Holdings PLC.

The beneficial interest of the director who is not also a director of the holding company in the ordinary shares of £1 each of Cater Allen Holdings PLC is as follows:

	At 30th April, 1997	At 30th April, 1996
M.R.D.Evans - Holding	7,367	5,961
- Under Option	20,000	20,000

The other director at the year end is also a director of the holding company and his interest in the ordinary shares of £1 each of Cater Allen Holdings PLC is disclosed in that company's accounts.

Auditors

Ernst & Young have expressed their willingness to continue in office as auditors. In accordance with section 386 of the Companies Act 1985 a resolution has been passed to dispense with the annual reappointment of auditors.

BY ORDER OF THE BOARD


T.M. SULLIVAN
Secretary

20 Birchin Lane,
London EC3V 9DJ
17th July, 1997

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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 judgements and estimates that are reasonable and prudent; and
- 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.

REPORT OF THE AUDITORS

We have audited the balance sheet and notes on pages 4 and 5, which have been prepared under the historical cost convention.

Respective responsibilities of directors and auditors

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

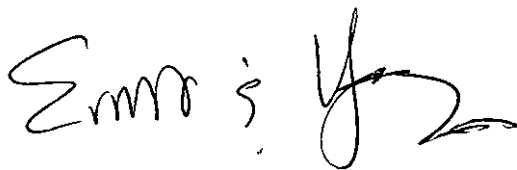
Basis of opinion

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 judgements 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 affairs of the company as at 30th April, 1997 and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in dark ink, appearing to read 'Ernst & Young', with a stylized flourish at the end.

ERNST & YOUNG
CHARTERED ACCOUNTANTS
REGISTERED AUDITOR
LONDON

17.7.97

BALANCE SHEET AS AT 30TH APRIL, 1997

	<u>1997</u>	<u>1996</u>
CURRENT ASSETS:		
Due from holding company	£2 ==	£2 ==
 CAPITAL AND RESERVES:		
Share capital in shares of £1 each:		
Authorised	£100 ===	£100 ===
 Allotted, called up and fully paid	£2 ==	£2 ==



M.R.D. EVANS CHAIRMAN

17th July, 1997

The notes on page 5 form part of these accounts.

NOTES TO THE ACCOUNTS AS AT 30TH APRIL, 1997

1. Accounting Policies

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

2. Ultimate parent company

The company's ultimate parent company is Cater Allen Holdings PLC which is incorporated in England and Wales. The accounts of Cater Allen Global Markets Limited are consolidated in the Group accounts of the ultimate parent company, copies of which may be obtained from the registered office shown on the first page.

3. Profit and loss account

The company has neither received any income nor incurred any expenses during the year and accordingly no profit and loss account is presented.