THE FLEMING
OVERSEAS
INVESTMENT TRUST PLC

DIRECTORS' REPORT AND ACCOUNTS

for the year ended 30th June 1993

REPORT OF THE DIRECTORS

BUSINESS OF THE COMPANY

The Company carries on business as an investment trust and is an investment company within the meaning of the Companies Act 1985. It was approved by the Inland Revenue as an investment trust in accordance with Section 842 of the Income and Corporation Taxes Act 1988 for the year ended 30th June 1992. In the opinion of the directors the Company has subsequently conducted its affairs so as to enable it to continue to obtain such approval.

The Company is not a close company for taxation purposes.

A review of the Company's activities and prospects is given in the Chairman's statement on pages 4 and 5 and the investment managers' report on pages 6 to 10.

No important events affecting the Company have occurred since 30th June 1993.

REVENUE AND DIVIDENDS

Gross revenue for the year totalled £11,530,577 and distributable revenue after deducting interest, management expenses and taxation amounted to £6,370,569.

The preference dividend absorbed £25,725 leaving £6,344,844 available for distribution to the ordinary shareholders.

The directors recommend a final dividend of 2.70p per share payable on 29th October 1993 to holders on the register at the close of business on 30th September 1993 which, when added to the interim dividend of 1.50p paid on 26th March 1993, will make a total for the year of 4.20p. These distributions will absorb £5,579,280 resulting in a transfer to the revenue reserve of £765,564.

The revenue reserve after this transfer will amount to £2,489,117.

INVESTMENTS

The Company's investments were valued at £373,810,206 as at 30th June 1993. The notes to the accounts show the basis on which this valuation was made.

A list of the Company's investments is given on pages 14 and 15.

DIRECTORS

The directors of the Company at the end of the year together with their beneficial holdings of ordinary shares were:

	30th June 1993	*30th June 1992*
Sir Philip Haddon-Cave (Chairman)	3,000	3,000
BR Basset	3,000	3,000
Lord Mark Fitzalan Howard	2,601	2,601
Sir Francis Kennedy	3,000	3,000
NG Prowse	2,000	2,000
D Rockefeller Jr.	3,000	—

No change in the above holdings has been recorded to the date of this report.

No director has an interest in the Company's preference shares or debenture stock.

There was no contract subsisting during or at the end of the financial year in which a director of the Company is or was materially interested and which is or was significant in relation to the Company's business.

Mr David Rockefeller Jr. was appointed a director on 13th April 1993 and retires in accordance with the Articles of Association. The director retiring by rotation is Lord Mark Fitzalan Howard. Mr Rockefeller and Lord Mark Fitzalan Howard are eligible and offer themselves for re-election.

REPORT OF THE DIRECTORS

SUBSTANTIAL SHARE INTERESTS

At 30th June 1993 the following had declared an interest in 3% or more of the Company's ordinary share capital:

Shareholder	*Number of shares held*	%
Prudential Assurance Plc	13,254,100	10.0
AMP Asset Management (including Pearl Group)	9,232,400	7.0
Scottish Widows Fund & Life Assurance Society	5,275,000	4.0
Electricity Supply Pension Scheme	4,839,000	3.6

MANAGEMENT

The investment manager and secretary, Fleming Investment Trust Management Limited, is a wholly-owned subsidiary of Robert Fleming Holdings Limited which, through other subsidiaries, also provides banking and custodian services to the Company.

At the year end Lord Mark Fitzalan Howard was a director and shareholder of Robert Fleming Holdings Limited and Mr NG Prowse was a director of Fleming Investment Trust Management Limited and a shareholder of Robert Fleming Holdings Limited.

MANAGEMENT FEE

The investment manager and secretary is employed under a contract terminable on two years' notice. The fee is calculated and paid quarterly in arrears and is charged at a rate of 0.5% per annum of the Company's assets with the exception of the US smaller companies portfolio which is at a rate of 1% per annum.

Funds managed or advised by Flemings or any of its associated companies are excluded from the calculation and therefore attract no fee.

AUDIT COMMITTEE

Following the recommendations of the Cadbury Committee in its report on 'Financial Aspects of Corporate Governance', the Board has formed an Audit Committee. To ensure its independence from the Manager, membership of the Audit Committee only includes directors who are not employed by Robert Fleming Holdings Limited or any of its subsidiaries.

The members of the Audit Committee are Mr BR Basset (Chairman), Sir Philip Haddon-Cave and Sir Francis Kennedy.

AUDITORS

Price Waterhouse have expressed their willingness to continue in office and a resolution to re-appoint them and authorise the directors to fix their remuneration for the ensuing year will be proposed at the annual general meeting.

By order of the Board
Fleming Investment Trust Management Limited,
Secretary
DC Buckley
10th September 1993

REVENUE ACCOUNT

for the year ended 30th June 1993

	NOTES	1993 £	1992 £
GROSS REVENUE			
Income from investments	1	9,745,933	8,948,573
Other income	2	1,784,644	1,089,179
		11,530,577	10,037,752
DEDUCTIONS			
Administrative expenses	3	2,115,095	1,852,978
Interest payable	4	9,648	11,728
		2,124,743	1,864,706
REVENUE BEFORE TAXATION		9,405,834	8,173,046
Taxation	5	3,035,265	2,830,038
REVENUE AFTER TAXATION		6,370,569	5,343,008
Preference dividends	6	25,725	25,725
REVENUE AVAILABLE FOR ORDINARY SHAREHOLDERS		6,344,844	5,317,283
ORDINARY DIVIDENDS			
Interim, 1.5p per share (1992: 1.5p)		1,992,600	1,992,600
Final, 2.7p per share (1992: 2.5p)		3,586,680	3,321,000
		5,579,280	5,313,600
TRANSFER TO REVENUE RESERVE	14	£765,564	£3,683
EARNINGS PER ORDINARY SHARE	7	4.78p	4.00p

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

for the year to 30th June 1993

	1993 £	1992 £
CAPITAL PROFIT ON INVESTMENTS		
Realised gains (losses)	30,158,272	(5,254,517)
Unrealised gains	97,905,959	15,593,971
	128,064,231	10,339,454
Currency gains (losses) on cash and short-term deposits held during year	8,840,171	(1,130,296)
CAPITAL SURPLUS FOR THE YEAR	136,904,402	9,209,158
REVENUE PROFIT AVAILABLE FOR DISTRIBUTION	6,370,569	5,343,008
TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR	£143,274,971	£14,552,166

The reconciliation of movement in shareholders' funds can be found in note 16 on page 27.

The notes on pages 23 to 27 form part of these accounts.

THE FLEMING OVERSEAS INVESTMENT TRUST PLC

BALANCE SHEET

at 30th June 1993

	NOTES	1993 £	1992 £
ASSETS EMPLOYED			
FIXED ASSETS			
Investments at valuation	8	373,810,206	264,579,249
CURRENT ASSETS			
Debtors	9	4,091,910	4,854,340
Cash and short-term deposits		61,203,559	21,816,391
		65,295,469	26,670,731
CURRENT LIABILITIES			
Amounts falling due within one year	10	30,830,799	5,051,099
NET CURRENT ASSETS		34,464,670	21,619,632
TOTAL ASSETS LESS CURRENT LIABILITIES		£408,274,876	£286,198,881
FINANCED BY			
CREDITORS			
Amounts falling due after one year	11	200,000	200,000
CAPITAL AND RESERVES			
Called-up share capital	12		
Preference shares		735,000	735,000
Ordinary shares		33,210,000	33,210,000
Capital reserve	13	371,640,759	250,330,328
Revenue reserve	14	2,489,117	1,723,553
ORDINARY SHAREHOLDERS' FUNDS		407,339,876	285,263,881
		£408,274,876	£286,198,881

The accounts on pages 20 to 27 were approved by the Directors on 10th September 1993 and are signed on their behalf by:

Philip Haddon-Cave Philip Haddon-Cave

Chairman

The notes on pages 23 to 27 form part of these accounts.

Company registration number 24299.

THE FLEMING
OVERSEAS
INVESTMENT TRUST PLC

CASH FLOW STATEMENT

for the year ended 30th June 1993

	NOTE	1993 £'000	1992 £'000
OPERATING ACTIVITIES			
Cash received from investments		7,060	6,213
Deposit interest received		1,623	889
Other income received		169	216
Manager's remuneration paid		(1,705)	(1,558)
Directors' fees paid		(42)	(40)
Other cash payments		(417)	(242)
NET CASH INFLOW FROM OPERATING ACTIVITIES	15	6,688	5,478
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid		(10)	(12)
Dividends paid		(5,339)	(2,018)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(5,349)	(2,030)
TAXATION			
Taxation (paid)/recovered		(1,406)	786
Overseas tax recovered		230	288
TOTAL TAX (PAID) RECOVERED		(1,176)	1,074
INVESTING ACTIVITIES			
Purchases of investments		(92,107)	(87,774)
Sales of investments		122,491	102,127
TOTAL CASH INFLOW FROM INVESTING ACTIVITIES		30,384	14,353
NET CASH INFLOW BEFORE FINANCING		30,547	18,875
FINANCING			
Increase in cash equivalents	15	30,547	18,875

The notes on pages 23 to 27 form part of these accounts.

NOTES TO THE ACCOUNTS

Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. Accounting policies have been applied consistently and a summary of the more important policies is set out below.

(a) Accounting convention:

Investments are stated at their value at the balance sheet date. In all other respects the accounts are prepared under the historical cost convention.

(b) Revenue and expenses:

(i) income from investments is credited to the revenue account on an ex-dividend basis;

(ii) income in foreign currencies is converted at the rates ruling when received;

(iii) gross income includes imputed tax credits relating to franked investment income and tax deducted at source from other income;

(iv) interest receivable on bonds and deposits, interest payable and administrative expenses are treated on an accruals basis; and

(v) deferred taxation is provided under the liability method based on all timing differences which are expected to crystallise in the future.

(c) Balance sheet:

(i) listed investments are stated at market value and unlisted investments at directors' valuation. In making their valuation, the directors have taken into account, where appropriate, latest dealing prices, valuations from reliable sources, asset values and other relevant factors;

(ii) assets and liabilities in foreign currencies are expressed in sterling at the rates of exchange ruling at the date of the balance sheet and profits and losses on exchange are taken to capital reserve;

(iii) realised and unrealised capital gains and losses are dealt with through the non-distributable capital reserve; and

(iv) advance corporation tax due on the Company's distributions accrued or proposed at the balance sheet date is treated as a current liability. Such advance corporation tax as is regarded as recoverable in the foreseeable future is treated as a current asset and included in debtors.

THE FLEMING OVERSEAS INVESTMENT TRUST PLC

NOTES TO THE ACCOUNTS

		1993 £	1992 £
1. *Income from investments*	FRANKED INVESTMENT INCOME		
	Dividends on listed investments	773,086	681,608
	Dividends on unlisted investments	280,000	240,000
		1,053,086	921,608
	UNFRANKED INVESTMENT INCOME		
	Dividends on listed investments	7,621,186	7,247,379
	Dividends on unlisted investments	114,332	109,514
	Interest on listed investments	957,329	670,072
		8,692,847	8,026,965
	TOTAL	9,745,933	8,948,573
2. *Other income*	Deposit interest	1,617,774	886,109
	Underwriting commissions	26,093	630
	Stock lending fees	140,777	202,440
		1,784,644	1,089,179
3. *Administrative expenses*	Manager's remuneration	1,705,199	1,557,778
	Other management expenses	247,068	245,992
	Directors' fees*	41,624	40,000
	Auditors' remuneration	13,200	11,600
	Irrecoverable/(recoverable) VAT	108,004	(2,392)
		2,115,095	1,852,978

*Chairman £10,000 per annum, other directors £7,500 per annum each (1992 same).

In addition the auditors were paid £1,250 (1992: £5,000), in respect of services not directly connected with the audit. This amount forms part of other management expenses

		1993 £	1992 £
4. *Interest payable*	On 4½% debenture stock	9,000	9,000
	On bank overdraft	648	2,728
		9,648	11,728

5. *Taxation*

(a) Corporation tax is based on the unfranked income for the year, less administrative expenses and interest payable.

(b) Tax credits relating to franked investment income received have provided partial relief from the advance corporation tax (ACT) liability arising on the Company's own distributions made during the year.

(c) Taxation on the revenue for the year:

	1993 £	1992 £
Corporation tax at 33 per cent	2,791,830	2,289,601
Irrecoverable ACT	nil	247,512
(Decrease)/increase in deferred corporation tax	(3,581)	62,523
Overseas taxation	1,008,805	915,235
Tax credits on franked investment income	247,016	230,402
	4,044,070	3,745,273
Less: Relief relating to overseas taxation	1,008,805	915,235
	3,035,265	2,830,038

THE FLEMING
OVERSEAS
INVESTMENT TRUST PLC

NOTES TO THE ACCOUNTS

		1993 £	1992 £
5. *Taxation (continued)*	(d) Included in creditors on the balance sheet is the sum of £994,032 (1992: £1,107,000), being the estimated ACT payable in the year to 30th June 1994 relating to the dividends accrued at 30th June 1993. The same amount has been included in taxation in debtors to reflect its expected recovery. For 1992, £247,512 was estimated to be irrecoverable at the year end. The Company has provided against £247,512 ACT which remains available for recovery in future years.		
6. *Preference dividends*	The dividends on the cumulative preference shares are payable at the rate of 3½ per cent. per annum net.		
7. *Earnings per ordinary share*	The earnings per ordinary share are based on the following figures:		
	Earnings attributable to ordinary shares	£6,344,844	£5,317,283
	Number of ordinary shares in issue	132,840,000	132,840,000
	Earnings per ordinary share	4.78p	4.00p
8. *Investments*	Cost of investments at 1st July	248,985,278	270,501,120
	Additions at cost	117,543,910	85,420,908
	Disposals at cost	(90,624,941)	(106,936,750)
	Cost of investments at 30th June	275,904,247	248,985,278
	Unrealised appreciation	97,905,959	15,593,971
	TOTAL PORTFOLIO AT 30th JUNE	373,810,206	264,579,249
	Listed in United Kingdom	22,459,648	10,297,518
	Listed overseas	334,003,315	240,600,930
	Unlisted (United Kingdom)	7,008,000	4,602,000
	Unlisted (overseas)	10,339,243	9,078,801
	TOTAL PORTFOLIO AT 30th JUNE	373,810,206	264,579,249

The unlisted investments consist of equity investments only.

Capital uncalled on investments at 30th June 1993 amounted to £8,235,365 (1992: £10,038,366).

The investments are deposited with Robert Fleming & Co. Limited or its agents.

Subsidiary company:
Included in the investments is a holding in a wholly-owned subsidiary, Foss Securities Limited, which has not traded. Consolidated accounts have not been prepared since the directors are of the opinion that they would be of no real value to the Company's members in view of the insignificant amounts involved. The directors have valued this holding at:

	1993 £	1992 £
Cost	140	140
Less: inter-company loan	100	100
	£40	£40

At 30th June 1993 the Company held 10 per cent or more of the issued share capital, or of a class of the issued share capital, of the following companies:

(i) 20 'A' shares and 1,480 'B' shares, equal to 11.8% of the total allotted equity share capital, of Nippon New Technology Investments Limited and 30 'A' shares and 1,652 'B' shares, equal to 16.7% of the total allotted equity share capital, of Nippon Venture Investments Limited. These companies are incorporated in Jersey.

The sole assets of these companies are units in investment partnerships. The investments are valued in the accounts at the Company's share of the net asset values of the investment partnerships.

(ii) 200,000 preference shares in Accel Capital International Ltd., equal to 11.9% of that class of its share capital. The Company's principal activity is investment in US ventures.

(iii) 3,000,000 shares of US$1, equal to 30% of The Fleming Russia Investment Corporation Limited, a company incorporated in Jersey on 1st February 1992. The company's principal activity is investment in Russian ventures. The directors have valued this holding at its original cost.

THE FLEMING
OVERSEAS
INVESTMENT TRUST PLC

NOTES TO THE ACCOUNTS

		1993 £	1992 £
9. *Debtors*	Sales for future settlement	400,996	2,108,296
	Dividends receivable	1,297,244	1,308,038
	ACT recoverable*	994,032	890,461
	Taxation	1,317,886	480,726
	Other debtors	81,752	66,819
		4,091,910	4,854,340
	*Including an estimated sum of £994,032 (1992: £859,488) recoverable after one year (note 5d).		
10. *Current liabilities: Amounts falling due within one year*	Purchases for future settlement	25,569,439	180,565
	ACT payable (see note 5d)	1,241,544	1,107,000
	Deferred taxation	404,898	388,404
	Other creditors	23,738	49,630
	Debenture interest accrued (gross)	4,500	4,500
	Proposed final dividend on ordinary shares	3,586,680	3,321,000
		30,830,799	5,051,099
11. *Creditors: Amounts falling due after one year*	£200,000 4½% perpetual debenture stock (secured as to capital and interest by a floating charge over the assets of the Company)	200,000	200,000
12. *Share capital*	Authorised, allotted and fully-paid		
	735,000 3½% cumulative preference shares of £1 each	735,000	735,000
	132,840,000 ordinary shares of 25p each	33,210,000	33,210,000
		33,945,000	33,945,000
13. *Capital reserve*	REALISED GAINS/(LOSSES)		
	Balance at 1st July	234,736,357	241,121,170
	Net gains/(losses) on listed investments	30,180,661	(6,454,890)
	Net (losses)/gains on unlisted investments	(22,389)	1,200,373
	Net gains/(losses) on currency transactions	8,840,171	(1,130,296)
		38,998,443	(6,384,813)
	Balance at 30th June	273,734,800	234,736,357
	UNREALISED GAINS/(LOSSES)		
	Balance at 1st July	15,593,971	42,243,083
	Net increase/(decrease) on listed investments	79,849,343	(26,025,511)
	Net increase/(decrease) on unlisted investments	2,462,645	(623,601)
		82,311,988	(26,649,112)
	Balance at 30th June	97,905,959	15,593,971
	TOTAL RESERVE AT 30th JUNE	371,640,759	250,330,328

THE FLEMING
OVERSEAS
INVESTMENT TRUST PLC

NOTES TO THE ACCOUNTS

		1993	1992
		£	£
14. *Revenue reserve*	Balance at 1st July	1,723,553	1,719,870
	Transfer from the revenue account	765,564	3,683
	Balance at 30th June	2,489,117	1,723,553

		1993	1992
15. *Cash flow statement*	RECONCILIATION OF REVENUE TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
	Income before interest payable and taxation	9,415,482	8,184,774
	Stock dividends treated as income	(48,025)	—
	Decrease/(increase) in accrued income	19,134	(201,963)
	Increase in other debtors	(23,273)	(16,872)
	(Decrease)/increase in other creditors	(25,892)	29,754
	Tax on franked investment income	(252,020)	(223,254)
	Tax on unfranked investment income	(2,396,932)	(2,293,948)
		6,688,474	5,478,491
	ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR		
	Balance at 1st July	21,816,391	4,071,164
	Increase in cash and cash equivalents	30,546,997	18,875,523
	Effect of foreign exchange rate changes	8,840,171	(1,130,296)
		39,387,168	17,745,227
	Balance at 30th June	61,203,559	21,816,391
	ANALYSIS OF CASH AND CASH EQUIVALENTS		
	Cash and short-term deposits	61,203,559	21,816,391

There were no changes in financing during the year.

		1993	1992
16. *Reconciliation of movement in shareholders' funds*	Revenue profit available for distribution	6,370,569	5,343,008
	Dividends	5,605,005	5,339,325
	Distributable profits less dividends	765,564	3,683
	Non-distributable capital surplus/(deficit)	121,310,431	(33,033,925)
	Net addition to shareholders' funds	122,075,995	(33,030,242)
	Shareholders' funds at 1st July	285,263,881	318,294,123
	Shareholders' funds at 30th June	407,339,876	285,263,881

AUDITORS' REPORT

Auditors' report to the members of The Fleming Overseas Investment Trust plc

We have audited the accounts on pages 20 to 27 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the Company at 30th June 1993 and of its revenue and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

PRICE WATERHOUSE
Chartered Accountants
and Registered Auditor
London, 10th September 1993.

THE FLEMING
OVERSEAS
INVESTMENT TRUST PLC

NOTICE OF MEETING

Notice is hereby given that the one hundred and sixth annual general meeting of The Fleming Overseas Investment Trust plc will be held at 25 Copthall Avenue, London EC2R 7DR on Tuesday 12th October 1993 at 12 noon for the following purposes.

1 To receive and adopt the directors' report, the annual accounts and the auditors' report for the year ended 30th June 1993.

2 To declare a final dividend on the ordinary shares.

3 To re-elect Mr David Rockefeller Jr. a director of the Company.

4 To re-elect Lord Mark Fitzalan Howard a director of the Company.

5 To re-appoint Price Waterhouse as auditors to the Company and to authorise the directors to agree their remuneration.

By order of the Board
Fleming Investment Trust Management Limited.
Secretary.

17th September 1993

NOTES

1 A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and on a poll vote instead of him. A proxy need not be a member of the Company. The lodging of a form of proxy does not prevent a member from attending and voting if he so wishes.

2 Preference shareholders are not entitled to vote at this meeting.

3 Proxy forms must be lodged not less than 48 hours before the meeting at the office of the Registrar.

4 No director has a contract of service with the Company.

DESIGNED BY KING [illegible]
PRINTED BY HENRY [illegible] ENGLAND