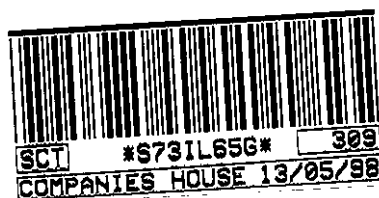


BRITISH ASSETS TRUST PLC
INTERIM ACCOUNTS FOR THE SIX MONTHS
TO
31 MARCH 1998

Company Registration Number: 3721

Prepared in accordance with Section 272 of the Companies Act 1985

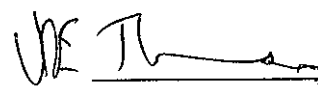


REVENUE ACCOUNT

		6 Months to 31 March 1998 £'000	6 Months to 31 March 1997 £'000
	Notes		
INCOME			
Franked investment income		8,704	9,463
UK unfranked investment income		1,354	1,433
Foreign income dividends		1,079	340
Stock Dividends		60	23
Overseas investment income		676	923
Deposit interest		285	263
Underwriting commission		-	48
		-----	-----
Total income	1	12,158	12,493
EXPENSES			
Interest		(837)	(1,645)
Administrative expenses		(699)	(657)
		-----	-----
Revenue before taxation		10,622	10,191
Taxation	2	(1,840)	(2,012)
		-----	-----
		8,782	8,179
Preference Dividends		(90)	(90)
		-----	-----
Available for ordinary shareholders		8,692	8,089
Ordinary dividends		(7,782)	(7,508)
		-----	-----
Net revenue transferred to revenue reserve		910	581
		-----	-----
Earnings per Ordinary 25p share		2.69p	2.51p
Dividends per Ordinary 25p share		2.4125p	2.3275p

BALANCE SHEET

		As at 31 March 1998 £'000	As at 30 September 1997 £'000
	Notes		
FIXED ASSETS - INVESTMENTS			
Listed on a Recognised Investment Exchange		699,940	603,074
Unlisted Investments		1,521	1,746
		-----	-----
	3	701,461	604,820
CURRENT ASSETS			
Debtors	4	7,601	6,428
Cash at bank and on deposit		14,133	6,042
Creditors (amounts falling due within one year)	5	(10,208)	(14,952)
		-----	-----
Net current assets/(liabilities)		<u>11,526</u>	<u>(2,482)</u>
Total assets less current assets/(liabilities)		712,987	602,338
Creditors (amounts falling due after more than one year)	6	(91,170)	(53,371)
		-----	-----
		621,817	548,967
		=====	=====
CAPITAL AND RESERVES			
Called up share capital			
Ordinary shares		80,640	80,640
Growth shares		15,360	15,360
Preference stock		5,250	5,250
		-----	-----
	7	101,250	101,250
Share premium account	8	3,630	3,630
Capital reserve	9	185,964	192,696
Net unrealised appreciation	9	318,796	240,124
Revenue reserve	9	12,177	11,267
		-----	-----
		621,817	548,967
		-----	-----
Equity Shareholders' funds		616,567	543,717
Non-equity Shareholder's funds		5,250	5,250
Net Asset Value per Ordinary and Growth 25p Share - basic		160.6p	141.6p
Net Asset Value per Ordinary share and Growth 25p share - fully diluted		157.5p	139.0p

 Director
 8 May 1998

ACCOUNTING POLICIES

Basis of Preparation

The accounts are prepared under the historical cost convention modified to include revaluation of fixed asset investments. The accounts are prepared in accordance with applicable accounting standards.

Investments

Listed investments are valued at middle market prices. Unlisted investments are valued by the Directors on the basis of all information available to them at the time of valuation. Year end exchange rates have been used when translating foreign currencies.

Loans

- (a) The Equities Index Unsecured Loan Stock 2005 is valued by reference to the capital value of the FTSE All-Share Index using the month end rate.
- (b) The 6.625% Bond 2008 is carried in the balance sheet at the cumulative amount of net proceeds after issue, plus amortised issue costs. Issue costs are written off at a constant rate over the life of the borrowings.

Capital reserves

- (a) Capital reserve - gains and losses on realisation of fixed asset investments and realised exchange differences are accounted for in this reserve together with the proportion of management fees and finance costs charged to capital.
- (b) Net unrealised appreciation - increases and decreases in the valuation of investments held are accounted for in this reserve. Provision is also made in this reserve for changes in the value of the Equities Index Unsecured Loan Stock 2005.

Income

- (a) Dividends and interest from UK securities with the addition of the relevant tax credit where appropriate, are included in the Revenue Account on an accruals basis when the security is first quoted 'ex-dividend'. Overseas income is recorded at rates of exchange ruling when received and, if accrued, at the rate of exchange ruling when accrued. Dividends taken as stock by the Company are included in the Revenue Account on an accruals basis.
- (b) Deposit interest is included on an accruals basis.

Expenses

Administrative expenses and interest payable are dealt with on an accruals basis. Overseas expenses are converted at the exchange rate ruling at date of payment or at year end exchange rates when interest is accrued.

Rates of Exchange

	31 March 1998	30 September 1997
US Dollar	1.6746	1.6154
Deutschemark	3.0969	2.8531
Japanese Yen	223.3097	195.0273

EXPLANATORY NOTES ON THE ACCOUNTS

	6 Months to 31 March 1998 £'000	6 Months to 31 March 1997 £'000
1. Income		
Listed on the London Stock Exchange	11,197	11,215
Listed on other stock exchanges	676	905
Unlisted	-	62
Deposit interest	285	263
Underwriting commission	-	48
	-----	-----
Total income	12,158	12,493
	-----	-----
2. Taxation		
Tax on franked investment income:	1,740	1,893
Overseas tax	53	81
Corporation Tax	47	38
	-----	-----
	1,840	2,012
	-----	-----
3. Fixed Assets - Investments		
Opening valuation of investments	604,820	674,489
Opening unrealised appreciation	(269,734)	(200,193)
	-----	-----
Opening cost of investments	335,086	474,296
Additions at cost	106,358	107,695
Disposals at cost	(77,790)	(246,905)
	-----	-----
Closing cost of investments	363,654	335,086
Closing unrealised appreciation	337,807	269,734
	-----	-----
Closing valuation of investments	701,461	604,820
	-----	-----
4. Debtors		
Taxation recoverable	437	2,035
Due from brokers	3,313	1,410
Income receivable from shares and securities	3,851	2,983
	-----	-----
	7,601	6,428
	-----	-----

	6 Months to 31 March 1998 £'000	Year to 30 September 1997 £'000
5. Creditors - Amounts falling due within one year		
Taxation	-	60
Due to brokers	1,415	965
Dividend on Preference Stocks	-	90
Dividend on ordinary shares	7,782	8,056
Interest on Equities Index Unsecured Loan Stock	306	417
Interest on 6.625% Bond 2008	298	-
Other creditors	407	237
Yen borrowings	-	5,127
	-----	-----
	10,208	14,952
	-----	-----
6. Creditors - Amounts falling due after more than one year		
Equities Index Unsecured Loan Stock 2005	31,822	53,371
6.625% Bond 2008	59,348	-
	-----	-----
	91,170	53,371
	-----	-----

Subject to the provisions in the Trust Deed constituting the Index Stock, the Company shall redeem the Index Stock with effect from 31 December 2005 at the Capital Value which will be determined by the level of the FTSE All-Share Index at that date. Interest paid on the units of the Index Stock is equivalent to the gross yield of the Index and is paid quarterly.

7. Share Capital	Shares	£'000
Authorised at 31 March 1998		
Ordinary shares of 25p	399,360,000	99,840
Growth shares of 25p	61,440,000	15,360
3.15 per cent preference stock		1,300
'A' 3.50 per cent preference stock		3,950

		120,450
Allotted, issued and fully paid at 31 March 1998		
Ordinary shares of 25p	322,560,000	80,640
Growth Shares of 25p	61,440,000	15,360
3.15 per cent preference stock		1,300
'A' 3.50 per cent preference stock		3,950

		101,250

8. Share Premium	£'000
At 31 March 1998 (30 September 1997 - same)	3,630
	=====
9. Reserves	£'000
Capital reserve	
At 30 September 1997	192,696
Movement during the period	(6,732)

At 31 March 1998	185,964

Net unrealised appreciation	
At 30 September 1997	240,124
Movement during the period	78,672

At 31 March 1998	318,796

Revenue Reserve	
At 30 September 1997	11,267
Transferred to revenue account	910

At 31 March 1998	12,177
