

REGISTERED NO: 103002

LONRHO PLC

Report and Accounts

6 MONTHS TO 31 MARCH 1998

Interim Accounts of Lonrho Plc prepared pursuant to Section 272 of the Companies Act 1985

4 Grosvenor Place
LONDON SW1X 7DL



LONRHO PLC
6 MONTHS TO 31 MARCH 1998

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LONRHO PLC

PROFIT AND LOSS ACCOUNT

6 MONTHS TO 31 MARCH 1998

	NOTES	6 months to 31 March 1998 £M
Turnover		1
Cost of sales		-
GROSS PROFIT		<u>1</u>
Dividends from group companies		214
Administrative expenses		(4)
OPERATING PROFIT		<u>211</u>
Loss on sale of fixed assets	4	(1)
Other interest receivable and similar income		7
Net amounts written back against debts due from group companies		18
Interest payable and similar charges		<u>(4)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION		231
RETAINED PROFIT FOR THE PERIOD	8	<u><u>231</u></u>

No provision has been made for any interim dividend that may be declared for the six months to 31 March 1998.

The notes on pages 4 to 5 form part of these Accounts.

LONRHO PLC

BALANCE SHEET

31 MARCH 1998

	NOTES	1998 £M
FIXED ASSETS		
Investments - subsidiary undertakings		436
- other investments		4
		<u>440</u>
CURRENT ASSETS		
Debtors:	5	
Amounts falling due within one year		95
Amounts falling due after more than one year		480
Cash at bank and in hand		9
		<u>584</u>
CREDITORS: Amounts falling due within one year	6	<u>(106)</u>
NET CURRENT ASSETS		<u>478</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		918
CREDITORS: Amounts falling due after more than one year	7	<u>(9)</u>
		<u>909</u>
CAPITAL AND RESERVES		
Called up share capital		199
Share premium account		319
Other reserves	8	-
Profit and loss account	8	391
		<u>909</u>

The accounts on pages 1 to 5 were approved by the Board of Directors on 9 April 1998 and were signed on its behalf by :-


SIR JOHN CRAVEN
Director


R. E. WHITTEN
DIRECTOR

LONRHO PLC

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

6 MONTHS TO 31 MARCH 1998

6 months to
31 March
1998
£M

Profit for the period	231
Exchange adjustments	(10)
Total recognised gains relating to the period	<u>221</u>

RECONCILIATION OF MOVEMENT IN EQUITY INTERESTS

Total recognised gains relating to the period	221
Shares issued in lieu of dividend paid 6 April 1998	2
Net increase in equity interests in the period	<u>223</u>
Equity interests at 1 October 1997	686
Equity interests at 31 March 1998	<u>909</u>

The notes on pages 4 to 5 form part of these Accounts.

LONRHO PLC

NOTES TO THE ACCOUNTS

31 MARCH 1998

1. PURPOSE OF FINANCIAL INFORMATION

The directors have prepared the attached profit and loss account for the six month period ended 31 March 1998 and balance sheet as at that date together with certain related notes as interim accounts to enable them to make a reasonable judgement as to the amount of a distribution which may be made.

2. BASIS OF PREPARATION

This financial information has been prepared by the directors for the company's internal use on the basis of the measurement principles contained in applicable accounting standards and under the historical cost accounting rules and in accordance with the following accounting policies which have been applied consistently in dealing with items which are considered material in relation to the financial information.

3. ACCOUNTING POLICIES

Exchange Rates

Foreign currency assets and liabilities are translated into sterling at the rates of exchange ruling at 31 March. Exchange differences arising from the retranslation of the opening net investment in overseas companies are disclosed as movements on reserves. Exchange adjustments relating to loans which have been used to finance or provide a hedge against foreign equity investments are taken to reserves to the extent that they are matched by exchange movements on these investments. All other adjustments due to currency fluctuations arising in the normal course of trade are included in profit on ordinary activities before taxation.

Investment income

Income from investments in other group companies is incorporated in the accounts as an amount receivable in the period in respect of which the dividend is declared, except where, in the opinion of the Directors, the remittability of the dividend is uncertain, in which case the income is accounted for on a received basis.

Deferred tax

Deferred tax is calculated under the liability method and is only provided where it is anticipated to be payable within the foreseeable future. Deferred tax which is not anticipated to be payable within the foreseeable future is treated as a contingent liability.

6 months to
31 March
1998
£M

4. LOSS ON SALE OF FIXED ASSETS

Costs of disposal of subsidiary companies	1
	<u>1</u>

5. DEBTORS

Amounts falling due within one year:

Amounts owed by subsidiary companies	87
Other debtors	8
	<u>95</u>

Amounts falling due after more than one year:

Amounts owed by subsidiary companies	480
	<u>575</u>

LONRHO PLC

NOTES TO THE ACCOUNTS

31 MARCH 1998

6 months to
31 March
1998
£M

6. CREDITORS: Amounts falling due within one year:

Bank loans and overdrafts	
- unsecured	1
Amounts due to subsidiary companies	65
Corporate tax	5
Other creditors	13
Dividend	22
	<u>106</u>

7. CREDITORS: Amounts falling due after more than one year:

Amounts due to subsidiary companies	9
	<u>9</u>

8. RESERVES

	Other reserves	Profit and loss account
	£M	£M
At 30 September 1997	-	168
Profit for the period	-	231
Shares issued in lieu of dividend		
- prior year	-	2
Exchange adjustments to equity investments	(10)	-
Transfers	10	(10)
At 31 March 1998	<u>-</u>	<u>391</u>