

Company Registration Number: 2924548

**BECKWITH ASSET MANAGEMENT LIMITED**

**Financial Statements  
for the year ended  
30 June 2002**



## **BECKWITH ASSET MANAGEMENT LIMITED**

### **DIRECTORS' REPORT**

**For the year ended 30 June 2002**

The directors present their report and the audited financial statements of the company for the year ended 30 June 2002.

#### **Principal activities**

The principal activity of the company is that of an investment holding company. The company holds a 100 per cent interest in River & Mercantile Investment Management Limited ("RAMIM") which, at the beginning of the year, held 14 per cent of Liontrust Asset Management PLC ("Liontrust"), a manager of a range of unit trust products which is listed on the London Stock Exchange. During the year, RAMIM sold its entire holding in Liontrust.

#### **Review of the business and future developments**

The directors intend to continue the above activity for the foreseeable future.

In the opinion of the directors both the level of business and the year end financial position were satisfactory.

The profit and loss account for the year is set out on page 4.

#### **Dividends**

The directors do not recommend the payment of a dividend (2001: nil).

#### **Directors and their interests**

The directors of the company at 30 June 2002, all of whom have been directors for the whole of the year ended on that date are listed below:

JL Beckwith

CIC Munro

SA Holder is Company Secretary.

J L Beckwith does not have any interests in the share capital of the company other than by virtue of his interests in its ultimate holding company, Pacific Investments PLC, which are disclosed in the financial statements of that company.

As at 30 June 2002 and 30 June 2001, CIC Munro held 9,000 B Ordinary Shares of 1p and one Preference Share of 1p in the company. CIC Munro's interests in HED Capital Management Limited, a fellow subsidiary of Pacific Investments PLC, are disclosed in the financial statements of that company.

**BECKWITH ASSET MANAGEMENT LIMITED**

**DIRECTORS' REPORT**

**For the year ended 30 June 2002 (continued)**

**Statement of directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 30 June 2002 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements 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.

**Auditors**

A resolution to reappoint PricewaterhouseCoopers as auditors to the company will be proposed at the Annual General Meeting.

By Order of the Board



SA Holder  
Secretary

124 Sloane Street  
London SW1X 9BW

**Independent auditors' report to the members of  
Beckwith Asset Management Limited**

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the notes.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This opinion has been prepared for and only for the company's members in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

**Basis of audit 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 affairs of the company at 30 June 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
**PricewaterhouseCoopers**  
**Chartered Accountants and Registered Auditors**  
**London**  
*17 December 2002*

# BECKWITH ASSET MANAGEMENT LIMITED

## Profit and Loss Account for the year ended 30 June 2002

	Note	2002 £	2001 £
Turnover		-	90,000
Administrative expenses		(482,078)	(179,826)
Operating loss	2	<u>(482,078)</u>	<u>(89,826)</u>
Investment income	4	-	20,700,000
Interest receivable	5	1,265,987	453,331
Profit on ordinary activities before taxation		<u>783,909</u>	<u>21,063,505</u>
Taxation	6	(246,568)	(109,138)
Profit on ordinary activities after taxation		<u>537,341</u>	<u>20,954,367</u>
Retained profit for the period	13	<u><u>537,341</u></u>	<u><u>20,954,367</u></u>

There is no difference between the profit on ordinary activities before taxation and the retained profit for the period stated above and the historical cost equivalents.

The operating loss derives wholly from continuing operations.

There are no recognised gains or losses other than the gain for the year shown above.

The notes on pages 6 to 10 form an integral part of these financial statements.

# BECKWITH ASSET MANAGEMENT LIMITED

## Balance Sheet as at 30 June 2002

	Note	2002 £	2001 £
<b>FIXED ASSETS</b>			
Investments	7	<u>4,464,308</u>	<u>4,464,308</u>
<b>CURRENT ASSETS</b>			
Debtors (amounts falling due after more than one year)	8	26,265,543	16,287,596
Debtors (amounts falling due within one year)	9	-	26,213
Cash		<u>91,731</u>	<u>7,035,939</u>
		<u>26,357,274</u>	<u>23,349,748</u>
<b>CREDITORS</b> (amounts falling due within one year)	10	(2,680,170)	(209,985)
<b>NET CURRENT ASSETS</b>		<u>23,677,104</u>	<u>23,139,763</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>28,141,412</u>	<u>27,604,071</u>
<b>NET ASSETS</b>		<u>28,141,412</u>	<u>27,604,071</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	1,000	1,000
Share premium	12	99,000	99,000
Profit and loss account	13	28,041,412	27,504,071
Shareholders' funds including non-equity interests	14	<u>28,141,412</u>	<u>27,604,071</u>
Non-equity interest - 1 preference share of 1p	11	-	-
Equity interests		<u>28,141,412</u>	<u>27,604,071</u>
		<u>28,141,412</u>	<u>27,604,071</u>

The accounts were approved by the Board of Directors on *12 December 2002* and signed on its behalf by



CIC Munro

The notes on pages 6 to 10 form an integral part of these financial statements.

# BECKWITH ASSET MANAGEMENT LIMITED

## Notes to the Accounts for the year ended 30 June 2002

### 1 Principal accounting policies

The principal accounting policies are set out below:

**Accounting convention** - These financial statements have been prepared under the historical cost convention. The company is included in the consolidated financial statements of Pacific Investments PLC and the company is therefore exempt from preparing its own consolidated financial statements under Section 228 of the Companies Act 1985.

**Cash flow statement** - The company is exempt from preparing a cash flow statement under the terms of Financial Reporting Standard 1 as it is included within the consolidated financial statements of Pacific Investments PLC and 90% of the voting rights are controlled within the group.

**Turnover** - Turnover represents the net amount receivable from management fee income, excluding Value Added Tax.

**Investments** - Investments are included in the balance sheet at cost less any provision for permanent diminution in value.

**Dividends** - Dividends are accounted for when declared.

**Deferred taxation** - The company has adopted FRS 19 in these financial statements. Deferred taxation arises as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in the future, or a right to pay less taxation in the future. The deferred tax liability that is the result of timing differences is recognised in full. Deferred tax assets are only recognised to the extent that, on the basis of all available evidence, they are recoverable. Deferred tax assets and liabilities recognised are not discounted. No adjustments were required to current or prior year balances on adoption of this standard.

### 2 Operating loss

The operating loss is stated after charging:

	2002 £	2001 £
Auditor's remuneration		
Audit fee	1,000	1,000
Other non audit fees	<u>87,310</u>	<u>27,912</u>

# BECKWITH ASSET MANAGEMENT LIMITED

## Notes to the Accounts (continued) for the year ended 30 June 2002

### 3 Staff costs

The company employed no staff during the year and no emoluments were paid to directors (2001: £nil).

### 4 Investment income

Investment income represents dividends received from a subsidiary undertaking.

### 5 Interest receivable

	2002 £	2001 £
Bank deposit interest	155,138	241,990
Amounts owed from parent company	1,110,849	211,341
	<u>1,265,987</u>	<u>453,331</u>

### 6 Taxation

	2002 £	2001 £
UK Corporation tax at 30%	246,568	109,138
	<u>246,568</u>	<u>109,138</u>

#### 6.1 Reconciliation of tax charge

	2002 £	2001 £
Profit on ordinary activities before taxation	783,909	21,063,505
Tax on profit on ordinary activities before taxation at 30%	235,173	6,319,052
Income not chargeable for tax purposes	-	(6,210,000)
Expenses disallowed for tax purposes	11,395	86
	<u>246,568</u>	<u>109,138</u>

No significant factors affecting future tax charges are expected.



# BECKWITH ASSET MANAGEMENT LIMITED

## Notes to the Accounts (continued) for the year ended 30 June 2002

### 7 Investments

	2002 £	2001 £
Cost at 1 July 2001 and 30 June 2002	<u>4,464,308</u>	<u>4,464,308</u>

Investments comprise 100 per cent of the unlisted ordinary shares in the company's subsidiary undertaking River & Mercantile Investment Management Limited ("RAMIM"), a company incorporated in England and Wales, whose principal activity is investment management. At 30 June 2001, RAMIM held 14 per cent of Liontrust Asset Management PLC, ("Liontrust") a company incorporated in England and Wales that is listed on the London Stock Exchange and which is the manager of a range of investment trusts and unit trust products. During the year, RAMIM sold its entire holding in Liontrust.

### 8 Debtors (amounts falling due after more than one year)

	2002 £	2001 £
Amounts owed by parent company	<u>26,265,543</u>	<u>16,287,596</u>

### 9 Debtors (amounts falling due within one year)

	2002 £	2001 £
Amounts owed by subsidiary	-	11,250
Other taxation and social security	-	14,963
	<u>-</u>	<u>26,213</u>

### 10 Creditors (amounts falling due within one year)

	2002 £	2001 £
Trade creditors	-	77,151
Amount owed to ultimate parent company	-	3,109
Amount owed to subsidiary	2,432,602	19,571
Corporation tax	246,568	109,138
Other creditors	-	16
Accruals and deferred income	1,000	1,000
	<u>2,680,170</u>	<u>209,985</u>

## BECKWITH ASSET MANAGEMENT LIMITED

### Notes to the Accounts (continued) for the year ended 30 June 2002

#### 11 Called up share capital

As at 30 June 2002 and 2001 the authorised and issued share capital of the company comprised:

	Authorised		Issued	
	Number	£	Number	£
A Ordinary Shares of 1p	91,000	910	91,000	910
B Ordinary Shares of 1p	9,000	90	9,000	90
Preference Share of 1p	1	-	1	-
	<u>100,001</u>	<u>1,000</u>	<u>100,001</u>	<u>1,000</u>

The A Ordinary Shares and the B Ordinary Shares carry the right to participate in any distribution pro-rata to the number of shares held until a return of 20% has been achieved. Distributions above this level are allocated as to 91% to the holders of the A Ordinary Shares and 9% to the holders of the B Ordinary Shares. Any distribution of assets is to be allocated on the same basis. A Shareholders have the right to appoint up to three directors and to remove any A or B directors. B shareholders have the right to appoint 1 director and to remove the B director. A directors are entitled to 3 votes collectively for any resolution.

The Preference Share does not entitle its holder to receive notice of or to exercise any vote at any general meeting of the company.

The rights attaching to Preference Shares were varied during the year to reduce their right to income and capital from the company from 16% to nil, thus removing any value from them. Further details of the rights attaching to the shares are set out in the Articles of Association of the company.

#### 12 Share premium

	£
Balance as at 30 June 2002 and 2001	<u>99,000</u>

#### 13 Profit and loss account

The profit and loss account is analysed as follows:

	£
Balance as at 1 July 2001	27,504,071
Retained profit for the year	537,341
Balance as at 30 June 2002	<u>28,041,412</u>

## BECKWITH ASSET MANAGEMENT LIMITED

### Notes to the Accounts (continued) for the year ended 30 June 2002

#### 14 Reconciliation of movement in shareholders' funds

	2002 £	2001 £
Profit for the financial period	537,341	20,954,367
Net increase in shareholders' funds	<u>537,341</u>	<u>20,954,367</u>
Shareholders' funds as at 30 June 2001 / 2000	27,604,071	6,649,704
Shareholders' funds as at 30 June 2002 / 2001	<u>28,141,412</u>	<u>27,604,071</u>

#### 15 Holding company

The company's holding company is River & Mercantile PLC, a company registered in England and Wales. At 30 June 2002 the company's ultimate holding company was Pacific Investments PLC, a company registered in England and Wales, which is the smallest and largest group of which the company is a member and for which group accounts are prepared. The consolidated accounts of that company can be obtained from the Company Secretary at 124 Sloane Street, London, SW1X 9BW.

Subsequent to the year end, Pacific Investments II Limited became the company's ultimate parent company.

The directors consider the ultimate controlling party to be JL Beckwith, a director and majority shareholder of the ultimate parent company.

#### 16 Related parties

The company has taken advantage of the exemption under FRS 8 not to disclose any transactions with other group companies on the basis that more than 90% of the voting rights are controlled within the group and consolidated financial statements are publicly available.