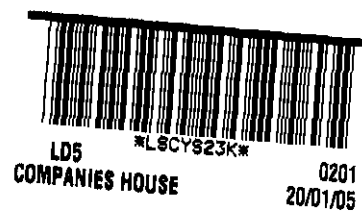


Company Registration Number: 2924548

BECKWITH ASSET MANAGEMENT LIMITED

**Financial Statements
for the year ended
30 June 2004**



BECKWITH ASSET MANAGEMENT LIMITED

Directors' Report

for the year ended 30 June 2004

The directors present their report and the audited financial statements of the company for the year ended 30 June 2004.

Principal activities

The principal activity of the company is that of an investment holding company.

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

A dividend of £2,800,000 was declared and paid during the year (2003: nil).

Directors and their interests

The directors of the company at 30 June 2004, 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.

JL Beckwith does not have any interests in the share capital of the company.

The interests of JL Beckwith in Pacific Investments II Limited and its other subsidiaries are disclosed in the financial statements of that company.

At 30 June 2004, 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 the company, are disclosed in that company's financial statements.

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 2004 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.

BECKWITH ASSET MANAGEMENT LIMITED

Directors' Report

for the year ended 30 June 2004 (continued)

Annual general meetings and auditors

Through elective resolutions the company has dispensed with the holding of annual general meetings, the laying of accounts before annual general meetings and the appointment of auditors annually.

By Order of the Board

A handwritten signature in black ink, appearing to read 'SA Holder', written over the printed name.

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 related 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 report, including the opinion, has been prepared for and only for the company's members as a body 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 into 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.

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 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

16 December 2004

BECKWITH ASSET MANAGEMENT LIMITED

Profit and Loss Account
for the year ended 30 June 2004

	Note	2004 £	2003 £
Administrative expenses		(89,346)	(279,089)
Operating loss	2	<u>(89,346)</u>	<u>(279,089)</u>
Investment income	4	-	16,000,000
Interest receivable and similar income	5	1,513,452	1,488,414
Interest payable and similar charges	6	-	(1,662)
Profit on ordinary activities before taxation		<u>1,424,106</u>	<u>17,207,663</u>
Taxation	7	(431,079)	(369,698)
Profit on ordinary activities after taxation		<u>993,027</u>	<u>16,837,965</u>
Dividends	8	(2,800,000)	-
Retained (loss)/profit for the period		<u><u>(1,806,973)</u></u>	<u><u>16,837,965</u></u>

The operating loss derives wholly from continuing operations.

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

The notes on pages 6 to 9 form an integral part of these financial statements.

BECKWITH ASSET MANAGEMENT LIMITED

**Balance Sheet
as at 30 June 2004**

	Note	2004 £	2003 £
FIXED ASSETS			
Investments	9	<u>4,464,308</u>	<u>4,464,308</u>
CURRENT ASSETS			
Debtors (amounts falling due after more than one year)	10	39,135,543	40,858,652
Debtors (amounts falling due within one year)	11	-	4,751
Cash		<u>8,595</u>	<u>29,615</u>
		<u>39,144,138</u>	<u>40,893,018</u>
CREDITORS (amounts falling due within one year)	12	(436,042)	(377,949)
NET CURRENT ASSETS		<u>38,708,096</u>	<u>40,515,069</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>43,172,404</u>	<u>44,979,377</u>
NET ASSETS		<u>43,172,404</u>	<u>44,979,377</u>
CAPITAL AND RESERVES			
Called up share capital	13	1,000	1,000
Share premium	14	99,000	99,000
Profit and loss account	15	43,072,404	44,879,377
EQUITY SHAREHOLDERS' FUNDS	16	<u>43,172,404</u>	<u>44,979,377</u>

The accounts were approved by the Board of Directors on 16 December 2004 and signed on its behalf by

JL Beckwith
Director

The notes on pages 6 to 9 form an integral part of these financial statements.

**Notes to the Financial Statements
for the year ended 30 June 2004**

1 Principal accounting policies

These financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards.

The company is a subsidiary of the Pacific Investments II Limited group of companies and is included in the consolidated financial statements of Pacific Investments II Limited, which are publicly available. The company is therefore exempt from preparing its own consolidated financial statements. Over 90% of the voting rights are controlled within the group and consequently the company is exempt under the terms of FRS1 from preparing a cash flow statement. The company is also exempt under the terms of FRS8 from disclosing related party transactions with entities that are part of the Pacific Investments II Limited group of companies or investees of that group.

The principal accounting policies are set out below:

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 - Deferred tax is recognised in respect of all timing differences that have originated, but not reversed, at the balance sheet date that may give rise to an obligation to pay more tax, or a right to pay less tax, at a future date at rates expected to apply when they crystallise, based on current tax rates and law.

Deferred tax assets are recognised only to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2 Operating loss

The operating loss is stated after charging:

	2004 £	2003 £
Auditor's remuneration:		
Audit fee	<u>1,100</u>	<u>1,000</u>

3 Staff costs

	2004 £	2003 £
Wages and salaries	50,000	191,102
Social security costs	5,321	6,631
	<u>55,321</u>	<u>197,733</u>

The average monthly number of employees during the year was 1 (2003: 2).

Directors' emoluments (included within staff costs above) amounted to:

	2004 £	2003 £
Directors' emoluments	<u>50,000</u>	<u>25,000</u>

4 Investment income

Investment income represents dividends received from the company's subsidiary undertaking.

BECKWITH ASSET MANAGEMENT LIMITED

Notes to the Financial Statements for the year ended 30 June 2004 (continued)

5 Interest receivable and similar income

	2004 £	2003 £
Bank deposit interest	833	2,015
Interest receivable from parent company	1,509,793	1,485,504
Other interest	2,826	895
	<u>1,513,452</u>	<u>1,488,414</u>

6 Interest payable and similar income

	2004 £	2003 £
Bank overdraft interest	-	11
Other interest	-	1,651
	<u>-</u>	<u>1,662</u>

7 Taxation

	2004 £	2003 £
UK Corporation tax at 30%	431,079	372,332
Over provision in respect of prior periods	-	(2,634)
	<u>431,079</u>	<u>369,698</u>

7.1 Reconciliation of tax charge

	2004 £	2003 £
Profit on ordinary activities before taxation	1,424,106	17,207,663
Tax on profit on ordinary activities at 30%	427,232	5,162,299
Over provision in respect of prior periods	-	(2,634)
Income not chargeable for tax purposes	-	(4,800,000)
Expenses disallowed for tax purposes	3,847	10,033
	<u>431,079</u>	<u>369,698</u>

No significant factors affecting future tax charges are expected.

8 Dividends

On 5 August 2003, the Company declared and paid a dividend of £28 per A and B ordinary share (2003: nil).

BECKWITH ASSET MANAGEMENT LIMITED

Notes to the Financial Statements for the year ended 30 June 2004 (continued)

9 Investments

	2004 £	2003 £
Cost at 1 July 2003 and 30 June 2004	<u>4,464,308</u>	<u>4,464,308</u>

Investments comprise 100 per cent of the 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.

10 Debtors (amounts falling due after more than one year)

	2004 £	2003 £
Amounts owed by parent company	<u>39,135,543</u>	<u>40,858,652</u>

11 Debtors (amounts falling due within one year)

	2004 £	2003 £
Other taxation and social security	<u>-</u>	<u>4,751</u>

12 Creditors (amounts falling due within one year)

	2004 £	2003 £
Trade creditors	3,963	4,617
Corporation tax	431,079	372,332
Accruals and deferred income	1,000	1,000
	<u>436,042</u>	<u>377,949</u>

13 Called up share capital

As at 30 June 2004 and 2003 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.

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 or the right to any income or capital from the company.

BECKWITH ASSET MANAGEMENT LIMITED

Notes to the Financial Statements for the year ended 30 June 2004 (continued)

14 Share premium

	£
Balance as at 30 June 2004 and 2003	<u>99,000</u>

15 Profit and loss account

The profit and loss account is analysed as follows:

	£
Balance as at 1 July 2003	44,879,377
Retained loss for the year	(1,806,973)
Balance as at 30 June 2004	<u>43,072,404</u>

16 Reconciliation of movement in shareholders' funds

	£
Shareholders' funds at 1 July 2003	44,979,377
Retained loss for the year	(1,806,973)
Shareholders' funds as at 30 June 2004	<u>43,172,404</u>

17 Parent company, ultimate parent company and ultimate controlling party

The Company's immediate parent company is Pacific Investments PLC, a company registered in England and Wales.

The Company's ultimate parent company is Pacific Investments II Limited, a company registered in England & Wales, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Pacific Investments II Limited's consolidated financial statements can be obtained from Companies House.

In the opinion of the directors the ultimate controlling party of the company is JL Beckwith, a director and majority shareholder of the ultimate holding company.

18 Related parties

On 27 January 2003, the company made a loan of £31,329 to R. Edwards, a director of HED Capital management Limited, a fellow subsidiary company of Pacific Investments II Limited. A further amount of £10,000 was loaned on 21 August 2003. The balance on the loan, including interest at LIBOR +3%, at 30 June 2004 is £45,049. The company has made full provision against this loan at the balance sheet date.