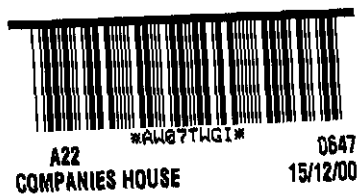


Company Registration Number: 2924548

**BECKWITH ASSET MANAGEMENT LIMITED**

**Directors' Report and Accounts**  
for the year ended  
30 June 2000



# **BECKWITH ASSET MANAGEMENT LIMITED**

## **DIRECTORS' REPORT**

The directors have pleasure in submitting their report and the audited accounts for the year ended 30 June 2000.

### **Statement of Directors' Responsibilities**

Company law requires the directors to prepare financial statements for each financial year which 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. In preparing those financial statements, the directors are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) state whether applicable accounting standards have been followed; and
- d) prepare financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

### **Review of the Business and Future Developments**

The Company holds a 100 per cent interest in River & Mercantile Investment Management Limited (RAMIM) which owns 36.4 per cent of Liontrust Asset Management PLC, which is the manager of a range of unit trust products.

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

In the opinion of the directors the financial position of the Company at the Balance Sheet date was satisfactory.

### **Results and Dividend**

The results for the year are detailed on page 4. The Company achieved a profit on ordinary activities before taxation of £4,505,047 (1999 - £2,563,648).

The directors do not propose payment of a dividend (1999: £500,000). The retained profit for the period is £4,504,867 (1999: £2,044,077) which has been transferred to reserves, giving a retained profit carried forward of £6,551,173 (1999: £2,046,306).

## BECKWITH ASSET MANAGEMENT LIMITED

### DIRECTORS' REPORT (continued)

#### Directors and their interests

The directors holding office during the year were as follows:

J L Beckwith  
C I C 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 accounts of that company. As at 30 June 2000 and 30 June 1999, C I C Munro held 9,000 "B" ordinary shares of 1p and one preference share of 1p.

#### Auditors

The auditors, Moore Stephens, have expressed their willingness to continue in office. Resolutions re-appointing them as auditors and authorising the directors to fix their remuneration will be proposed at the next Annual General Meeting.

By Order of the Board



S A Holder

30 November 2000

124 Sloane Street  
London  
SW1X 9BW

**AUDITOR'S REPORT TO THE SHAREHOLDERS**  
**OF**  
**BECKWITH ASSET MANAGEMENT LIMITED**

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

**Respective responsibilities of directors and auditors**

As described on page 1 the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of Opinion**

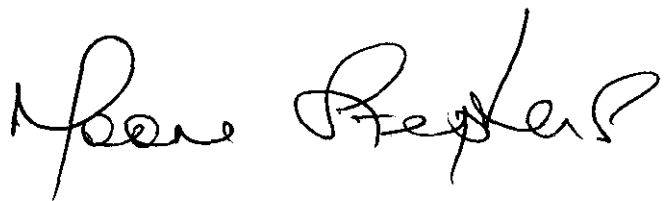
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 the Company's affairs as at 30 June 2000 and of the results and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Moore Stephens  
Chartered Accountants  
and Registered Auditor  
St. Paul's House  
Warwick Lane  
London  
EC4P 4BN



30 November 2000

# BECKWITH ASSET MANAGEMENT LIMITED

## Profit and Loss Account for the year ended 30 June 2000

	Note	2000 £	1999 £
Administrative expenses		(152,622)	(2,524)
Operating loss	2	<u>(152,622)</u>	<u>(2,524)</u>
Investment income	4	4,500,000	2,500,000
Interest receivable	5	157,669	66,756
Interest payable		-	(584)
Profit on ordinary activities before taxation		<u>4,505,047</u>	<u>2,563,648</u>
Taxation	6	(1,649)	(19,571)
Profit on ordinary activities after taxation		<u>4,503,398</u>	<u>2,544,077</u>
Dividends proposed and paid		-	(500,000)
Retained profit for the period		<u><u>4,503,398</u></u>	<u><u>2,044,077</u></u>

An analysis of reserves is given in Note 13.

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 7 to 11 form an integral part of these accounts.

# BECKWITH ASSET MANAGEMENT LIMITED

## Balance Sheet

as at 30 June 2000

	Note	2000 £	1999 £
<b>FIXED ASSETS</b>			
Investments	7	4,464,308	4,464,308
<b>CURRENT ASSETS</b>			
Debtors	8	1,087,941	993,198
Cash		1,120,451	1,088,078
		<u>2,208,392</u>	<u>2,081,276</u>
<b>CREDITORS</b> : amounts falling due within one year	9	(22,996)	(22,837)
<b>NET CURRENT ASSETS</b>		<u>2,185,396</u>	<u>2,058,439</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		6,649,704	6,522,747
<b>CREDITORS</b> : amounts falling due after more than one year	10	-	(4,376,441)
<b>NET ASSETS</b>		<u>6,649,704</u>	<u>2,146,306</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	6,549,704	2,046,306
Shareholders' funds including non-equity interests	14	<u>6,649,704</u>	<u>2,146,306</u>
Non-equity interest - 1 preference share of 1p		-	-
Equity interests		6,649,704	2,146,306
		<u>6,649,704</u>	<u>2,146,306</u>

The accounts were approved by the  
Board of Directors on 30 November 2000  
and signed on its behalf by

JL Beckwith

The notes on pages 7 to 11 form an integral part of these accounts.

# BECKWITH ASSET MANAGEMENT LIMITED

## Cash Flow Statement for the year ended 30 June 2000

	Note	2000 £	1999 £
<b>Net cash outflow from operating activities</b>	15.1	(247,206)	(982,764)
<b>Returns on investments and servicing of finance</b>			
Dividends received		4,500,000	2,500,000
Dividends paid		-	(500,000)
Interest received		157,669	66,756
Interest paid		-	(584)
		<u>4,657,669</u>	<u>2,066,172</u>
<b>Taxation</b>			
Corporation Tax paid		(1,649)	(11,250)
<b>Net cash inflow before financing</b>		<u>4,408,814</u>	<u>1,072,158</u>
<b>Financing</b>			
Debt due beyond one year: Shareholder loans		4,376,441	-
<b>Net cash outflow from financing</b>		<u>4,376,441</u>	<u>-</u>
<b>Increase in cash in the period</b>		<u>32,373</u>	<u>1,072,158</u>
		<u>4,408,814</u>	<u>1,072,158</u>
<b>Reconciliation of net cashflow to movement in net debt</b>			
Cash movement in net debt in the period		4,408,814	1,072,158
Net debt at 1 July 1999		(3,288,363)	(4,360,521)
Net debt at 30 June 2000	15.2	<u>1,120,451</u>	<u>(3,288,363)</u>

The notes on pages 7 to 11 form an integral part of these accounts.

# BECKWITH ASSET MANAGEMENT LIMITED

## Notes to the Accounts for the year ended 30 June 2000

### 1. Accounting Policies

Basis of accounting - The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Investments - Investments are stated at cost less provision for any permanent diminution in value.

Group Accounts - The Company is exempt from the requirement to prepare group accounts as it is a parent company included in the accounts of a larger group.

### 2. Operating Loss

The operating loss is stated after charging:

	2000 £	1999 £
Auditor's remuneration		
Audit fee	700	700
Other non audit fees	300	300

### 3. Staff costs

	2000 £	1999 £
Wages and salaries	1,500	1,500
Social security costs	139	150
	<u>1,639</u>	<u>1,650</u>

The average number of employees, including directors, during the year was 2 (1999 - 2).

Staff costs represent emoluments paid to CIC Munro who was thereby the highest paid director.

### 4. Investment Income

Investment Income represents dividends received from a subsidiary undertaking.

### 5. Interest Receivable

Interest Receivable derives wholly from bank deposits.

### 6. Taxation

	2000 £	1999 £
Tax charge for the year	1,649	19,571
	<u>1,649</u>	<u>19,571</u>

### 7. Investments

	2000 £	1999 £
Cost at 1 July 1999 and 30 June 2000	<u>4,464,308</u>	<u>4,464,308</u>

# BECKWITH ASSET MANAGEMENT LIMITED

## Notes to the Accounts

for the year ended 30 June 2000 (continued)

### 7. Investments (continued)

Investments comprise 100 per cent of the unlisted ordinary shares in the Company's subsidiary undertaking River & Mercantile Investment Management Limited (RAMIM). RAMIM owns 36.4 per cent of Liontrust Asset Management PLC, which is the manager of a range of investment trusts and unit trust products.

### 8. Debtors

	2000 £	1999 £
Amounts owed by parent company	981,511	981,948
Advanced corporation tax recoverable	11,250	11,250
Prepayment	95,180	-
	<u>1,087,941</u>	<u>993,198</u>

### 9. Creditors: amounts falling due within one year

	2000 £	1999 £
Amount owed to ultimate parent company	3,109	2,250
Amount owed to fellow subsidiary	19,571	19,571
Other creditors	16	16
Accruals and deferred income	300	1,000
	<u>22,996</u>	<u>22,837</u>

### 10. Creditors: amounts falling due after more than one year

	2000 £	1999 £
Amounts due to parent undertaking	-	3,982,562
Other unsecured loans	-	393,879
	<u>-</u>	<u>4,376,441</u>

On 26 August 1994 the Company entered into an instrument under which up to £5,000,000 of nominal loan notes were issuable at par to shareholders and a director of the company. This amount was repaid on 27 September 1999. Other unsecured loans represented the remaining balance payable under the notes. This amount was repaid in full on 4 October 1999.

# BECKWITH ASSET MANAGEMENT LIMITED

## Notes to the Accounts

for the year ended 30 June 2000 (continued)

### 11. Called up Share Capital

As at 30 June 2000 and 1999 the authorised and issued share capital of the Company comprised:

	Authorised		Issued	
	Number	£	Number	£
"A" ordinary 1p	91,000	910	91,000	910
"B" ordinary 1p	9,000	90	9,000	90
Preference 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 16% to the holder of the preference share, 75% 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.

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 2000 and 1999	<u>99,000</u>

### 13. Profit and Loss Account

The profit and loss account is analysed as follows:

	£
Balance as at 1 July 1999	2,046,306
Retained profit for the period	4,503,398
Balance as at 30 June 2000	<u>6,549,704</u>

# BECKWITH ASSET MANAGEMENT LIMITED

## Notes to the Accounts

for the year ended 30 June 2000 (continued)

### 14. Reconciliation of Movement in Shareholders' Funds

	2000 £	1999 £
Profit for the financial period	4,503,398	2,044,077
Net increase in shareholders' funds	<u>4,503,398</u>	<u>2,044,077</u>
Opening shareholders' funds	2,146,306	102,229
Shareholders' funds as at 30 June 2000	<u><u>6,649,704</u></u>	<u><u>2,146,306</u></u>

### 15. Cash Flow Statement

#### 15.1 Reconciliation of operating loss to net cash outflow from operating activities

The reconciliation of operating loss to net cash outflow from operating activities is as follows:

	2000 £	1999 £
Operating loss	(152,622)	(2,524)
Increase in debtors	(94,743)	(981,590)
(Decrease)/increase in creditors	159	1,350
	<u><u>(247,206)</u></u>	<u><u>(982,764)</u></u>

#### 15.2 Analysis of net debt

	At 30 June 1999 £	Cashflow £	At 30 June 2000 £
Cash in hand and at bank	1,088,078	32,373	1,120,451
Debt due after 1 year	(4,376,441)	4,376,441	-
Total	<u><u>(3,288,363)</u></u>	<u><u>4,408,814</u></u>	<u><u>1,120,451</u></u>

## BECKWITH ASSET MANAGEMENT LIMITED

### Notes to the Accounts

for the year ended 30 June 2000 (continued)

#### 16. Holding Company

The Company's holding company is River & Mercantile PLC, a company registered in England and Wales. The Company's ultimate holding company is 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.

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

#### 17. 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.