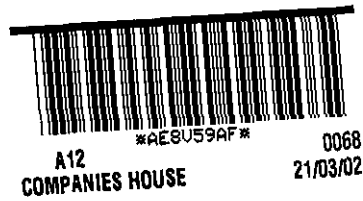


Company Registration Number: 2924548

BECKWITH ASSET MANAGEMENT LIMITED

Financial Statements
for the year ended
30 June 2001



BECKWITH ASSET MANAGEMENT LIMITED

DIRECTORS' REPORT

The directors have pleasure in submitting their report and the audited accounts for the year ended 30 June 2001.

Review of the Business and Future Developments

The Company holds a 100 per cent interest in River & Mercantile Investment Management Limited ("RAMIM") which owns 14 per cent of Liontrust Asset Management PLC ("Liontrust"), which is the manager of a range of unit trust products. During the year, RAMIM reduced its holding in Liontrust from 36.4 per cent.

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 £21,063,505 (2000 - £4,505,047).

The directors do not propose payment of a dividend (2000: nil). The retained profit for the period is £20,954,367 (2000: £4,503,398) which has been transferred to reserves, giving a retained profit carried forward of £27,504,071 (2000: £6,549,704).

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 2001 and 30 June 2000, C I C Munro held 9,000 "B" ordinary shares of 1p and one preference share of 1p.

Statement of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial period 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 apply them consistently
- b) Make reasonable and prudent judgements in preparing the financial statements for the year ended 30 June 2001
- c) Confirm that applicable accounting policies have been followed
- d) 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.

BECKWITH ASSET MANAGEMENT LIMITED

DIRECTORS' REPORT (continued)

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.

Auditors

During the year, Moore Stephens resigned as auditors of the Company, and on 17 September 2001 the Directors appointed PricewaterhouseCoopers as auditors. A resolution to reappoint PricewaterhouseCoopers will be proposed at the Annual General Meeting.

By Order of the Board



S A Holder

124 Sloane Street
London
SW1X 9BW

AUDITORS' REPORT TO THE SHAREHOLDERS

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 which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

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.

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 the company's affairs at 30 June 2001 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 30 January 2002

BECKWITH ASSET MANAGEMENT LIMITED

Profit and Loss Account for the year ended 30 June 2001

	Note	2001 £	2000 £
Turnover		90,000	-
Administrative expenses		(179,826)	(152,622)
Operating loss	2	<u>(89,826)</u>	<u>(152,622)</u>
Investment income	4	20,700,000	4,500,000
Interest receivable	5	453,331	157,669
Profit on ordinary activities before taxation		<u>21,063,505</u>	<u>4,505,047</u>
Taxation	6	(109,138)	(1,649)
Profit on ordinary activities after taxation		<u>20,954,367</u>	<u>4,503,398</u>
Dividends proposed and paid		-	-
Retained profit for the period		<u>20,954,367</u>	<u>4,503,398</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 6 to 9 form an integral part of these accounts.

BECKWITH ASSET MANAGEMENT LIMITED

Balance Sheet as at 30 June 2001

	Note	2001 £	2000 £
FIXED ASSETS			
Investments	7	4,464,308	4,464,308
CURRENT ASSETS			
Debtors	8	16,313,809	1,087,941
Cash		7,035,939	1,120,451
		<u>23,349,748</u>	<u>2,208,392</u>
CREDITORS (amounts falling due within one year)	9	(209,985)	(22,996)
NET CURRENT ASSETS		<u>23,139,763</u>	<u>2,185,396</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>27,604,071</u>	<u>6,649,704</u>
NET ASSETS		<u>27,604,071</u>	<u>6,649,704</u>
CAPITAL AND RESERVES			
Called up share capital	10	1,000	1,000
Share premium	11	99,000	99,000
Profit and loss account	12	27,504,071	6,549,704
Shareholders' funds including non-equity interests	13	<u>27,604,071</u>	<u>6,649,704</u>
Non-equity interest - 1 preference share of 1p		-	-
Equity interests		<u>27,604,071</u>	<u>6,649,704</u>
		<u>27,604,071</u>	<u>6,649,704</u>

The accounts were approved by the
Board of Directors on 30 January 2002
and signed on its behalf by

JL Beckwith

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

BECKWITH ASSET MANAGEMENT LIMITED

Notes to the Accounts for the year ended 30 June 2001

1 Principal Accounting Policies

These financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of more important accounting policies, which have been applied consistently, 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 (revised 1996) 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, 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 received.

2 Operating Loss

The operating loss is stated after charging:

	2001 £	2000 £
Auditor's remuneration		
Audit fee	1,000	700
Other non audit fees	27,912	300

3 Staff costs

	2001 £	2000 £
Wages and salaries	-	1,500
Social security costs	-	139
	<u>-</u>	<u>1,639</u>

The average number of employees, including directors, during the year was 2 (2000 - 2).

Staff costs in 2000 represent emoluments paid to CIC Munro who was thereby the highest paid director. No director received any remuneration with respect of his duties in the year to June 2001.

4 Investment Income

Investment Income represents dividends received from a subsidiary undertaking.

BECKWITH ASSET MANAGEMENT LIMITED

Notes to the Accounts (continued) for the year ended 30 June 2001

5 Interest Receivable

Interest Receivable derives from bank deposits and intercompany loans.

6 Taxation

	2001 £	2000 £
UK Corporation tax at 30%	109,138	1,649
	<u>109,138</u>	<u>1,649</u>

7 Investments

	2001 £	2000 £
Cost at 1 July 2000 and 30 June 2001	<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. RAMIM owns 14 per cent of Liontrust Asset Management PLC, 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.

8 Debtors

	2001 £	2000 £
Amounts owed by parent company	16,287,596	1,076,254
Amounts owed by subsidiary	11,250	11,250
Other taxation and social security	14,963	-
Prepayments and accrued income	-	437
	<u>16,313,809</u>	<u>1,087,941</u>

9 Creditors: amounts falling due within one year

	2001 £	2000 £
Trade creditors	77,151	-
Amount owed to ultimate parent company	3,109	3,109
Amount owed to fellow subsidiary	19,571	19,571
Corporation tax	109,138	-
Other creditors	16	16
Accruals and deferred income	1,000	300
	<u>209,985</u>	<u>22,996</u>

Notes to the Accounts (continued)
for the year ended 30 June 2001

10 Called up Share Capital

As at 30 June 2001 and 2000 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	-
	100,001	1,000	100,001	1,000

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.

11 Share Premium

	£
Balance as at 30 June 2001 and 2000	<u>99,000</u>

12 Profit and Loss Account

The profit and loss account is analysed as follows:

	£
Balance as at 1 July 2000	6,549,704
Retained profit for the period	20,954,367
Balance as at 30 June 2001	<u>27,504,071</u>

Notes to the Accounts (continued)
for the year ended 30 June 2001

13 Reconciliation of Movement in Shareholders' Funds

	2001 £	2000 £
Profit for the financial period	20,954,367	4,503,398
Net increase in shareholders' funds	<u>20,954,367</u>	<u>4,503,398</u>
Opening shareholders' funds	6,649,704	2,146,306
Shareholders' funds as at 30 June 2001	<u><u>27,604,071</u></u>	<u><u>6,649,704</u></u>

14 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.

15 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.