

KBEMF (GP) LIMITED
REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2002



KBEMF (GP) LIMITED**DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 2002.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company is that of General Partner in the KBEMFII Co Investment Fund, an English limited partnership formed for the purpose of carrying out investment business.

The company is a limited partner in a Scottish limited partnership EMF III General Partner L.P. for the purposes of receiving 25% of the carried interest entitlement in European Mezzanine Fund III. EMF III General Partner L.P. is the sole general partner in European Mezzanine Fund III.

During the year under review the business developed satisfactorily and this is expected to continue for the foreseeable future.

RESULTS AND DIVIDENDS

The profit and loss account is set out on page 3.

An interim dividend of £1,060,000 was paid during the year (2001 - £Nil). No final dividend was declared for the year ended 31 December 2002 (2001 - £Nil).

DIRECTORS AND DIRECTORS' INTERESTS

The directors who held office at the year end were as follows:-

A P Grover
B J Hunt
M F Williams
C Wright

None of the directors had a disclosable interest in the shares or debentures of any group company. The directors are exempt from disclosing their interests in the shares or debentures of the ultimate parent undertaking, Allianz AG, at the year-end, as it is incorporated outside the UK.

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. The directors are required to prepare the financial statements on the 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 31 December 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 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.

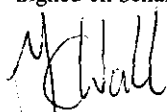
INDEPENDENT AUDITORS

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 21 February 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors.

The directors have taken advantage of the Elective Resolution in accordance with section 379A of the Companies Act 1985 to dispense with the annual appointment of auditors, accordingly, PricewaterhouseCoopers LLP will remain in office.

Approved by the Board of Directors

Signed on behalf of the Board.



J.C. Wall
Secretary
17 March 2003

KBEMF (GP) LIMITED**Independent auditors' report to the members of KBEMF (GP) 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 independent 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 on page 1.

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 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 the company's affairs at 31st December 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Independent Auditors

London

18 March 2003

KBEMF (GP) LIMITED**PROFIT AND LOSS ACCOUNT****For the year ended 31 December 2002**

	Note	2002	2001
		£	£
Turnover & Operating Profit	1a & 2	-	52,143
Write down in value of investment	6	(391)	(33,745)
(Loss)/Profit on ordinary activities before taxation		<u>(391)</u>	<u>18,398</u>
Taxation credit	4	-	507,458
(Loss)/Profit on ordinary activities after taxation		<u>(391)</u>	<u>525,856</u>
Dividend	5	(1,060,000)	-
Retained (loss)/profit for the year		<u>(1,060,391)</u>	<u>525,856</u>

All amounts shown above derive from continuing operations.

There are no recognised gains or losses other than the loss on ordinary activities disclosed above. Accordingly, no statement of total recognised gains and losses is given.

There is no difference between the loss on ordinary activities disclosed above and its historical cost equivalent.

A statement showing the movement in reserves is set out in note 10 on page 8.

The notes on pages 5 to 8 form part of these financial statements.

KBEMF (GP) LIMITED**BALANCE SHEET****As at 31 December 2002**

	Note	2002	2001
		£	£
FIXED ASSETS			
Investments	6	1,345	1,736
CURRENT ASSETS			
Debtors- amounts falling due within one year	7	29,841	1,884,305
Creditors- amounts falling due within one year	8	(18,829)	(813,293)
NET CURRENT ASSETS		11,012	1,071,012
TOTAL ASSETS LESS CURRENT LIABILITIES		12,357	1,072,748
CAPITAL AND RESERVES			
Called up share capital	9	2	2
Profit and loss account	10	12,355	1,072,746
SHAREHOLDERS' FUNDS		12,357	1,072,748

These financial statements were approved by the Board of Directors on 17 March 2003.

Signed on behalf of the Board of Directors.



A. P. Grover - Director

The notes on pages 5 to 8 form an integral part of these financial statements.

KBEMF (GP) LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
For the year ended 31 December 2002**1. ACCOUNTING POLICIES****(a) Basis of preparation**

The financial statements have been prepared in accordance with applicable Accounting Standards and under the historical cost convention. The particular accounting policies adopted are described below.

(b) Turnover

Turnover represents income receivable from the partnerships, calculated in accordance with section 7.1 of the partnership agreement, and the company's share of distributable net profit within the partnerships, exclusive of Value Added Tax.

(c) Fixed asset investment

The company acts as a general partner to, and has a participating interest in KBEMF II Co Investment Fund. Furthermore, the company has a participating interest in EMF III General Partner L.P. The company's investments in the Limited Partnerships are shown as fixed asset investments.

(d) Cash flow statement

The company has taken advantage of the exemption under Financial Reporting Standard No1 (revised) not to prepare a cash flow statement at the year end on the grounds that the intermediate parent undertaking, Dresdner Kleinwort Wasserstein Group Limited, prepares consolidated accounts which are publicly available.

(e) Related party disclosure

KBEMF (GP) Limited's intermediate parent undertaking at year-end, Dresdner Kleinwort Wasserstein Group Limited, prepares consolidated financial statements which are publicly available. Accordingly, advantage is taken in these financial statements of the exemptions available in Financial Reporting Standard No. 8 for disclosure of transactions with entities that are part of the group or investees of group entities as related parties.

KBEMF (GP) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 December 2002**

	2002 £	2001 £
2. TURNOVER		
Company's share of distributable net profit	-	52,143

3. ADMINISTRATIVE EXPENSES

All administrative expenses are borne by the immediate parent undertaking, Dresdner Kleinwort Wasserstein Limited. These include the remuneration of the independent auditors. None of the directors received any emoluments for their services to the company (2001-£ nil). The company had no employees during the year.

4. TAXATION CREDIT

Taxation is based on the taxable income for the year and comprises:

Group relief payable at 30% of taxable profit	-	(11,816)
Adjustment in respect of prior years	-	519,274
	-	507,458

The reconciliation below explains the difference between the tax charge in the accounts and the profit or loss before tax charged at the standard rate.

(Loss)/Profit on ordinary activities before tax	(391)	18,398
(Loss)/Profit multiplied by the standard rate of tax 30%	(117)	5,519
<i>Effects of:</i>		
Expenses not deductible for tax purposes	117	10,124
Utilisation of tax losses	-	(3,827)
Adjustments in respect of previous years	-	(519,274)
Current tax (credit) for the year	-	(507,458)

KBEMF (GP) LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
For the year ended 31 December 2002

	2002	2001
	£	£
5. DIVIDENDS		
Interim paid	<u>1,060,000</u>	<u>-</u>
6. INVESTMENTS		£
Cost at 1 January and 31 December 2002		<u>35,481</u>
Provision against investment at 1 January 2002		(33,745)
Write down in value of investment		<u>(391)</u>
Provision against investment at 31 December 2002		<u>(34,136)</u>
Net book value at 31 December 2002		<u>1,345</u>
Net book value at 31 December 2001		<u>1,736</u>
	2002	2001
	£	£
7. DEBTORS: amounts falling due within one year		
Amounts owed from immediate parent undertaking	29,841	1,035,253
Amounts owed by other group companies	-	849,052
	<u>29,841</u>	<u>1,884,305</u>
8. CREDITORS: amounts falling due within one year		
Amounts owed to immediate parent undertaking	2,005	796,469
Taxation	16,824	16,824
	<u>18,829</u>	<u>813,293</u>
9. CALLED UP SHARE CAPITAL		
Authorised:		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted and fully paid:		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

KBEMF (GP) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 December 2002****10. COMBINED RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS AND STATEMENT OF MOVEMENTS ON RESERVES**

	Issued Share Capital £	Profit and Loss Account £	Shareholders' Funds Total £	2001 Total £
Balance as at 1 January	2	1,072,746	1,072,848	546,992
(Loss)/Profit for the year	-	(391)	(391)	525,856
Dividend	-	(1,060,000)	(1,060,000)	-
Balance as at 31 December	2	12,355	12,357	1,072,848

11. RELATED PARTIES

Other related party transactions are as follows:

The company is a limited partner in a Scottish limited partnership EMF III General Partner L.P. for the purposes of receiving 25% of the carried interest entitlement in European Mezzanine Fund III. EMF III General Partner L.P. is the sole general partner in European Mezzanine Fund III.

Balances with the parent and other group undertakings are shown in notes 7 and 8 to the accounts.

12. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is Allianz AG, a company incorporated in Germany.

For consolidation purposes Dresdner Kleinwort Wasserstein Group Ltd, a company incorporated in Great Britain and registered in England and Wales, is the parent undertaking of the smallest group of which the company is a member. Copies of the consolidated financial statements of Dresdner Kleinwort Wasserstein Group Ltd for the year ended 31st December 2002 will be filed in due course at the Companies Registration Office, Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ. Financial statements for Allianz AG are available from Allianz AG, Investor Relations, Koeniginstrasse 28, D-80802 Munich, Germany.