

Kleinwort Benson Equity Partners General Partner Limited

Report and Financial Statements

31 December 2003



Kleinwort Benson Equity Partners General Partner Limited

Directors' Report

The directors present their annual report and the audited financial statements for the year ended 31 December 2003.

Activities

The Company ("KBEP GP") is the general partner of two limited partnerships - Kleinwort Benson Equity Partners ("the Partnership") and Kleinwort Benson Equity Partners B ("the B Partnership"), together the "Partnerships". These Partnerships were formed to make investments in unquoted companies.

Review of developments

The Company has appointed, on behalf of the Partnerships, Kleinwort Capital Limited as manager of the Partnerships. Under the management agreement between these two companies, an annual management fee is paid to Kleinwort Capital Limited.

The Company owns special capital in the Partnerships, which entitles it to receive an advance share of the net income of those Partnerships. During the year the Company did not receive any surplus income (2002 - nil).

On 31st March 2004, KBEP GP assigned both its limited partner interests in the Partnerships and income tax debtor to Dresdner Kleinwort Wasserstein Limited in full repayment of the outstanding loan to the Company. On that date Dresdner Kleinwort Wasserstein Limited sold the Company to Kleinwort Capital Limited.

Results and dividends

Details of the results for the year are set out in the profit and loss account on page 4. The loss on ordinary activities after taxation of £236,617 (2002 - profit £811,885) will be deducted from reserves. The directors have not declared either an interim dividend or a final dividend in 2002 and 2003.

Directors and directors' interests

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

T.J. Clarke	
K.P. Collins	Appointed 27 November 2003 & resigned 31 March 2004
M.F. Williams	Resigned 31 March 2004

A.P. Grover resigned as a director on 29 May 2003. S. L. Johnston was appointed as a director on 10 June 2003 and resigned on 31 October 2003. B. J. Hunt resigned as a director on 12 December 2003. E.E. Robertson was appointed a director on 9 February 2004 and resigned on 31 March 2004. R.J. Green and A.J. Hartley were appointed directors on 31 March 2004.

J.C. Wall resigned as Secretary of the company on 31 March 2004 and A.J. Hartley was appointed as Secretary on that date.

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, as it is incorporated outside the UK.

Directors' Report (Continued)

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 for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Auditors

On 31st October 2003 PricewaterhouseCoopers LLP resigned as auditors of the Company. KPMG Audit PLC has been appointed by the directors to fill the vacancy thus arising.

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 and, accordingly, KPMG Audit PLC will remain in office.

Approved by the Board of Directors

Signed on behalf of the Board.



A.J. Hartley
Secretary

27 October 2004



KPMG Audit Plc

8 Salisbury Square
London
EC4Y 8BB
United Kingdom

Independent auditors' report to the members of Kleinwort Benson Equity Partners General Partner Limited

We have audited the financial statements on pages 4 to 10, which have not been prepared on a going concern basis.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 with the Company 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 the Company's affairs as at 31 December 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to read 'KPMG Audit Plc', written in a cursive style.

KPMG Audit Plc
Chartered Accountants
Registered Auditor
London

77 October 2004

Kleinwort Benson Equity Partners General Partner Limited

Profit and loss account

For the year ended 31 December 2003

	Note	2003 £	2002 £
TURNOVER	1 & 2	2,472,071	2,535,938
Administrative expenses	3	<u>(2,682,447)</u>	<u>(2,900,194)</u>
OPERATING LOSS		(210,376)	(364,256)
Interest receivable and similar income	4	18,790	26,495
Interest payable and similar charges	5	(20,906)	(27,109)
Write down in value of investments	7	<u>(24,125)</u>	<u>(38,089)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(236,617)	(402,959)
Taxation credit	6	<u>0</u>	<u>1,214,844</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>(236,617)</u>	<u>811,885</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 results for the year stated above and historical cost equivalents.

A statement showing the movement in the profit and loss account reserve is set out in note 13 on page 9.

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

Kleinwort Benson Equity Partners General Partner Limited

Balance sheet

As at 31 December 2003

	Note	2003 £	2002 £
FIXED ASSETS			
Investments	7	358,204	347,149
CURRENT ASSETS			
Debtors	8	2,311,084	2,329,226
Cash at bank	9	<u>501,106</u>	<u>976,268</u>
		2,812,190	3,305,494
Creditors: amounts falling due within one year	10	<u>(2,860,616)</u>	<u>(3,106,062)</u>
NET CURRENT ASSETS		<u>(48,426)</u>	<u>199,432</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		309,778	546,581
Creditors: amounts falling due after more than one year	11	<u>(393,527)</u>	<u>(393,713)</u>
NET (LIABILITIES)/ASSETS		<u>(83,749)</u>	<u>152,868</u>
CAPITAL AND RESERVES			
Called up share capital	12	100	100
Profit and loss account	13	<u>(83,849)</u>	<u>152,768</u>
EQUITY SHAREHOLDERS' FUNDS		<u>(83,749)</u>	<u>152,868</u>

The Board of Directors approved these financial statements on 27 October 2004.

Signed on behalf of the Board of Directors by:



T. J. Clarke

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

Kleinwort Benson Equity Partners General Partner Limited

Notes to the financial statements

For the year ended 31 December 2003

1. Accounting policies

Basis of preparation

These financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The principal accounting policies that the directors have adopted within that convention are set out below.

Turnover

Turnover comprises an advance share of the net income of the Partnerships which is received in return for services supplied as General Partner of the Partnerships. KBEP GP also holds special capital in the Partnerships, which entitles it to receive a share of the surplus income and capital distributions made by the Partnerships.

Fixed asset investments

Investments in the limited partnerships are shown as fixed asset investments and are stated at cost less provision for impairment.

Administrative expenses

Apart from the expenses detailed in note 3, all other expenses have been borne by Dresdner Kleinwort Wasserstein Limited, an intermediate parent undertaking. These costs include the remuneration of the independent auditors. None of the directors received any emoluments for their services to the Company.

Cash flow statement

The Company has taken advantage of the exemption under Financial Reporting Standard No.1 (revised) not to prepare a cash flow statement on the grounds that an intermediate parent undertaking, Dresdner Kleinwort Wasserstein Group Limited, prepares consolidated accounts, which are publicly available.

2. Turnover

	2003 £	2002 £
Advance share of net income of the Partnerships	<u>2,472,071</u>	<u>2,535,938</u>

3. Administrative Expenses

	2003 £	2002 £
Management fees payable to Kleinwort Capital Limited	<u>2,682,447</u>	<u>2,900,194</u>

4. Interest Receivable and Similar Income

	2003 £	2002 £
Interest receivable from intermediate parent undertaking	<u>18,790</u>	<u>26,495</u>

Notes to the financial statements

For the year ended 31 December 2003

5. Interest Payable

	2003 £	2002 £
Interest payable to an intermediate parent undertaking	<u>20,906</u>	<u>27,109</u>

6. Taxation credit

	2003 £	2002 £
Adjustment for prior years	<u>-</u>	<u>1,214,844</u>

Factors affecting tax charge for period:

The tax assessed for the year is different from the standard rate of corporation tax. The reconciliation is shown below.

Loss on ordinary activities before taxation	<u>(236,617)</u>	<u>(402,959)</u>
- loss multiplied by the standard rate of taxation 30%	70,985	120,888
<i>Effects of:</i>		
Income taxed on an arising basis	354,486	592,008
Expenses not deductible for taxation purposes	(7,237)	(11,427)
Adjustments to tax in respect of previous years	-	1,214,844
Tax loss for the year not utilised	<u>(418,234)</u>	<u>(701,469)</u>
Current tax credit for the year	<u>-</u>	<u>1,214,844</u>

The Company has not recognised a deferred tax asset of £418,234 on the taxable loss for the year (2002 - £701,469). Since 31 December 2001 it is DrKW Group policy to surrender tax losses at no charge and hence there is no group relief charge for 2002 & 2003. The adjustment in 2002 for prior years arises from losses surrendered from a group company for no charge.

Kleinwort Benson Equity Partners General Partner Limited

Notes to the financial statements For the year ended 31 December 2003

7. Fixed Asset Investments

	The Partnership £	The B Partnership £	TOTAL £
Cost at 1 January 2003	401,632	109,326	510,958
Drawdowns	28,112	7,637	35,749
Repayments	(569)	-	(569)
Cost at 31 December 2003	429,175	116,963	546,138
Provision at 1 January 2003	128,628	35,181	163,809
Charge for year	18,808	5,317	24,125
Provision at 31 December 2003	147,436	40,498	187,934
Book Value at 31 December 2003	281,739	76,465	358,204
Book Value at 31 December 2002	273,004	74,145	347,149

8. Debtors

	2003 £	2002 £
Amounts receivable from the Partnerships	1,859,640	646,621
Other debtors	11	68,930
Group relief receivable	-	1,156,157
Income tax recoverable	451,433	457,518
	2,311,084	2,329,226

During the course of 2004, it is expected that the Partnerships will be in a position to repay in full, the amounts due, therefore no amounts listed above are believed owed after more than 1 year.

9. Cash at Bank

The cash at bank of £501,106 (2002 - £976,268) was deposited with Dresdner Kleinwort Wasserstein Limited, which is an authorised bank and an intermediate parent undertaking.

10. Creditors: amounts falling due within one year

	2003 £	2002 £
Amounts due to the immediate parent undertaking	-	2,374,107
Amounts due to intermediate parent undertaking	877,583	-
Other trade creditors	-	947
Management fees payable to Kleinwort Capital Limited	1,983,033	731,008
	2,860,616	3,106,062

Notes to the financial statements

For the year ended 31 December 2003

11. Creditors: amounts falling due after one year

	2003 £	2002 £
Amounts due to intermediate parent undertaking	393,527	393,713

12. Called Up Share Capital

	2003 £	2002 £
Authorised: 1,000 ordinary shares of £1 each	1,000	1,000
Issued and fully paid: 100 ordinary shares of £1 each	100	100

13. Combined Reconciliation of Movements in equity Shareholders' Fund and Statement of Movements on Reserves

	Issued Share Capital £	Profit and Loss Account £	Total Shareholders' Funds 2003 £	Total Shareholders' Funds 2002 £
At beginning of period	100	152,768	152,868	(659,017)
Profit/ (loss) on ordinary activities after taxation	-	(236,617)	(236,617)	811,885
At end of period	100	(83,849)	(83,749)	152,868

14. Commitments

The Company had undrawn commitments to the Partnerships totalling £136,725 (2002 - £171,904).

15. Ultimate parent undertaking

The ultimate parent undertaking for the year to 31 December 2003 was Allianz AG, a company incorporated in Germany.

For consolidation purposes, Dresdner Kleinwort Wasserstein Group Limited, 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 Limited for the year ended 31 December 2003 will be available in due course at the Companies Registration Office, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ. Financial statements for Allianz AG are available from Allianz AG, Investor Relations, Koeniginstrasse 28m D-80802 Munich, Germany.

Kleinwort Benson Equity Partners General Partner Limited

Notes to the financial statements

For the year ended 31 December 2003

16. Related party disclosures

KBEP GP's intermediate parent undertaking, 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.

Other related party transactions are as follows:

The Company is the general partner in both the Partnership and the B Partnership in which it holds special capital. This entitles the Company to a share of surplus income and capital distributions made by the Partnerships in accordance with the Limited Partnership Agreements. During the period to 31 December 2003, there were no such distributions made by these Partnerships (2002 - nil).

A director of the KBEP GP holds shares in a company which itself holds special and ordinary capital in the Partnerships which entitles it to receive income and capital distributions from those Partnerships in accordance with Limited Partnership Agreements. During the year to 31 December 2003, there were no such distributions made by these Partnerships (2002 - nil).

17. Post balance sheet events

On 31st March 2004, KBEP GP assigned both its limited partner interests in the Partnerships and income tax debtor to Dresdner Kleinwort Wasserstein Limited in full repayment of the outstanding loan to the Company. On that date Dresdner Kleinwort Wasserstein Limited sold the Company to Kleinwort Capital Limited.