

# OLD MUTUAL ASSET MANAGERS HOLDINGS (UK) LIMITED

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FINANCIAL STATEMENTS - 31 DECEMBER 2003

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## BOARD OF DIRECTORS

A J Ainsworth  
P Baxter  
A E Hough  
E M Lathangie  
R A Lightbown  
H Askari  
V Raimondo

## COMPANY SECRETARY

A E Hough

## REGISTERED OFFICE

5<sup>th</sup> Floor  
80 Cheapside  
London  
EC2V 6EE

## REGISTERED NUMBER

England: 3347383



## OLD MUTUAL ASSET MANAGERS HOLDINGS (UK) LIMITED

### REPORT OF THE DIRECTORS

The Directors present their report and audited financial statements for the year from 1 January 2003 to 31 December 2003.

### ACTIVITIES

The Company's principal activity is that of an investment holding company.

### RESULTS FOR THE PERIOD

The results for the year are shown in the profit and loss account on page 6. The Directors do not recommend the payment of a dividend (year to 31 December 2002:£ nil).

### DIRECTORS

The Directors of the Company are shown on page 1. The following changes have taken place since 1 January 2003:

E Warner	Resigned 1 February 2003
J Thornton	Resigned 28 March 2003
H Askari	Appointed 4 February 2003
V Raimondo	Appointed 25 April 2003

None of the Directors in office at 31 December 2003 or members of their immediate family had any disclosable interest in the share capital of the Company at any time during the year. Five of the Directors had a disclosable interest in the share capital of Old Mutual plc, the ultimate parent company.

The interests of H Askari and V Raimondo are disclosed in the accounts of Old Mutual Financial Services (UK) plc of which they are Directors.

The interests of the other Directors in options over shares in other Group undertakings were as follows:

	Date of grant	Old Mutual plc	Option price	Earliest date of exercise	Latest date of exercise
A E Hough	08/03/2001	24,700	£1.6225	08/03/2004	07/03/2007

All other options held at the beginning of the year have lapsed without being exercised.

The interests of the other Directors in shares in other Group undertakings were as follows:

	Old Mutual plc
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At 31 December 2003	
A J Ainsworth	144,800
E M Lathangie	300
At 1 January 2003	
A J Ainsworth	144,800
E M Lathangie	300

### SHARE ISSUE

On 30 April 2003 the authorised share capital was increased by £3,500,000 by the creation of 3,500,000 ordinary shares of £1 each. On 30 April 2003 4,000,000 ordinary shares at par value of £1 each were issued for a consideration of £4,000,000 to ensure the continued financial development of the business.

## OLD MUTUAL ASSET MANAGERS HOLDINGS (UK) LIMITED

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### REPORT OF THE DIRECTORS

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#### PARENT AND SUBSIDIARY UNDERTAKINGS

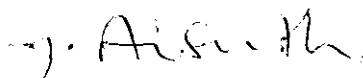
During the year, ordinary shares at par value were issued to Old Mutual Asset Managers Holdings (UK) Limited in the following subsidiaries:

	Old Mutual Asset Managers (UK) Ltd Ordinary shares at £1 each	Old Mutual Fund Managers Ltd Ordinary shares at £1 each
30 April 2003	2,000,000	2,000,000

#### AUDITOR

Pursuant to a shareholders' resolution, the Company is not obliged to reappoint its auditor annually and KPMG Audit Plc will therefore continue in office.

By order of the Board



A J Ainsworth  
18 February 2004

## **OLD MUTUAL ASSET MANAGERS HOLDINGS (UK) LIMITED**

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### **DIRECTORS' AND AUDITOR'S RESPONSIBILITIES**

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#### **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 judgements and estimates that are reasonable and prudent; and
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the group 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.

#### **AUDITOR'S RESPONSIBILITIES**

The respective responsibility of the auditor is shown in the auditor's report to the members of Old Mutual Asset Managers Holdings (UK) Limited and is included on page 5.

## OLD MUTUAL ASSET MANAGERS HOLDINGS (UK) LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OLD MUTUAL ASSET MANAGERS HOLDINGS (UK) LIMITED

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We have audited the financial statements on pages 6 to 11.

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 4, 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 result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

KPMG Audit Plc  
Chartered Accountants  
Registered Auditor  
8 Salisbury Square  
LONDON  
EC4Y 8BB

Date: *18 February 2004*

# **OLD MUTUAL ASSET MANAGERS HOLDINGS (UK) LIMITED**

## **PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2003**

	Notes	Year ended 31 Dec 2003 £'000	Year ended 31 Dec 2002 £'000
Turnover		-	-
Administrative expenses	2	-	(2,270)
Operating loss		<u>-</u>	<u>(2,270)</u>
Interest receivable		-	36
Interest payable and similar charges		<u>-</u>	<u>-</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		-	(2,234)
Taxation	5	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		-	(2,234)
Retained loss brought forward		<u>(2,406)</u>	<u>(172)</u>
RETAINED LOSS CARRIED FORWARD		<u><u>(2,406)</u></u>	<u><u>(2,406)</u></u>

All the above amounts are in respect of continuing operations.

The Company had no recognised gains or losses other than the loss for the year, and accordingly a separate statement of recognised gains and losses is not presented.

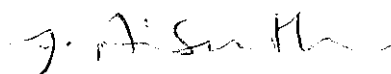
The notes on pages 8 to 11 form part of these financial statements

# OLD MUTUAL ASSET MANAGERS HOLDINGS (UK) LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2003

	Notes	31 December 2003 £'000	31 December 2002 £'000
<b>FIXED ASSETS</b>			
Investment in subsidiaries	6	34,700	30,700
Other investments		6	6
		<u>34,706</u>	<u>30,706</u>
<b>CURRENT ASSETS</b>			
Debtors	7	15,045	11,636
Cash at bank and in hand		-	-
		<u>15,045</u>	<u>11,636</u>
Creditors: amounts falling due within one year	8	<u>(18,457)</u>	<u>(15,048)</u>
<b>NET CURRENT ASSETS</b>		<u>(3,412)</u>	<u>(3,412)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>31,294</u>	<u>27,294</u>
Creditors: amounts falling due after more than one year			
Group companies	9	<u>(2,000)</u>	<u>(2,000)</u>
		<u>29,294</u>	<u>25,294</u>
<b>CAPITAL AND RESERVES</b>			
Shareholder's funds:			
Called up share capital	10	28,500	24,500
Other reserves		3,200	3,200
Profit and loss account		<u>(2,406)</u>	<u>(2,406)</u>
	11	<u>29,294</u>	<u>25,294</u>

Approved by the Board of Directors on 18 February 2004 and signed on their behalf by:



A J Ainsworth  
18 February 2004

The notes on pages 8 to 11 form part of these financial statements

# OLD MUTUAL ASSET MANAGERS HOLDINGS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2003

### 1 ACCOUNTING POLICIES

#### a) Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

#### b) Deferred Taxation

Deferred tax is recognised in full on timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future have occurred at the balance sheet date. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

#### c) Cash Flow Statement

The Company's ultimate parent undertaking Old Mutual plc prepares consolidated financial statements which are publicly available. Accordingly the Company has taken advantage of the exemption in Financial Reporting Standard 1 (Revised 1996) - 'Cash Flow Statements', and has dispensed with the requirement to prepare a cash flow statement.

### 2 ADMINISTRATIVE EXPENSES

	Year ended 31 Dec 2003 £000	Year ended 31 Dec 2002 £000
Administrative Expenses	-	2,270

The comparative amount for administrative expenses for the year ended 31 December 2002 includes an exceptional amount of £1,065,000 which related to the write off of the investment in Ridgefield Unit Trust Administration Limited, and a write down of £1,205,000 relating to the subordinated loan of £1,250,000 between Old Mutual Asset Managers Holdings (UK) Limited and Ridgefield Unit Trust Administration Limited.

There was no audit fee for the period as this was paid by another group company.

### 3 DIRECTORS' EMOLUMENTS

The Directors emoluments were £ nil for their services to the Company (year to 31 December 2002 : £1,000). The prior year comparative costs were borne by other group companies.

### 4 EMPLOYEES

The Company had no direct employees during the year. It utilised the resources of a fellow group company.

### 5 TAXATION

#### a) Tax based on the loss for the year as adjusted for tax purposes

	Year Ended 31 Dec 2003 £'000	Year ended 31 Dec 2002 £'000
UK corporation tax at 30%	-	-
UK corporation tax – previous years	-	-
	-	-



# **OLD MUTUAL ASSET MANAGERS HOLDINGS (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2003 (continued)**

### **5 TAXATION (continued)**

#### **b) Reconciliation of tax charge**

	Year Ended 31 Dec 2003 £'000	Year ended 31 Dec 2002 £'000
Loss on ordinary activities before taxation	-	(2,234)
Tax at UK rate of 30% (2002 30%)	-	(670)
Effects of:		
Expenses not deductible for tax purposes	-	681
Losses utilised	-	(11)
Current taxation	-	-

#### **d) Factors that may affect future tax charges:**

The Company has unrelieved tax losses carried forward as disclosed in note 12.

### **6 INVESTMENTS IN SUBSIDIARIES**

	31 Dec 2003 £'000	31 Dec 2002 £'000
<b>COST</b>		
At 1 January	30,700	15,700
Additions	4,000	16,065
Write off of investment in Ridgefield Unit Trust Administration Ltd	-	(1,065)
At 31 December	<u>34,700</u>	<u>30,700</u>

At 31 December 2003 the Company owned the whole of the following subsidiary undertakings;

Subsidiary Undertaking	Place of Incorporation	Nature of Business	Class and Percentage of shares held
Old Mutual Asset Managers (UK) Limited	England	Investment Management	100% of ordinary shares
Old Mutual Fund Managers Limited	England	Unit Trust Managers	100% of ordinary shares
Ridgefield Unit Trust Administration Limited	England	Investment Administration Services	100% of ordinary shares

### **7 DEBTORS**

	31 Dec 2003 £'000	31 Dec 2002 £'000
Amounts owed by group undertakings	15,000	11,591
Amount owed re subordinated loan	<u>45</u>	<u>45</u>
	<u>15,045</u>	<u>11,636</u>

# **OLD MUTUAL ASSET MANAGERS HOLDINGS (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2003 (continued)**

### **8 CREDITORS: amounts falling due within one year**

	31 Dec 2003 £'000	31 Dec 2002 £'000
Amounts owed to group undertakings	18,442	15,033
Accruals and deferred income	<u>15</u>	<u>15</u>
	<u>18,457</u>	<u>15,048</u>

### **9 CREDITORS: amounts falling due after more than one year**

	31 Dec 2003 £'000	31 Dec 2002 £'000
Group companies	<u>2,000</u>	<u>2,000</u>

### **10 SHARE CAPITAL**

	31 Dec 2003 £'000	31 Dec 2002 £'000
AUTHORISED:		
30,000,000 ordinary shares of £1 each	<u>30,000</u>	<u>26,500</u>
ISSUED, CALLED UP AND FULLY PAID:		
28,500,000 ordinary shares of £1 each	<u>28,500</u>	<u>24,500</u>

On 30 April 2003 the authorised share capital was increased by £3,500,000 by the creation of 3,500,000 ordinary shares of £1 each. On 30 April 2003 4,000,000 ordinary shares at par value of £1 each were issued for a consideration of £4,000,000 to ensure the continued financial development of the business.

# OLD MUTUAL ASSET MANAGERS HOLDINGS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2003 (continued)

### 11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	Year Ended 31 Dec 2003 £'000	Year Ended 31 Dec 2002 £'000
Shareholder's funds at 1 January	25,294	14,028
Issue of new shares	4,000	13,500
Loss for the year	-	(2,234)
Shareholder's funds at 31 December	29,294	25,294

### 12 DEFERRED TAXATION ASSET

#### a) Deferred tax assets recognised

The Company considers that it is not more likely than not that there will be suitable profits in future years to utilise any deferred taxation asset brought forward, therefore no provision has been reflected in the accounts.

#### b) Deferred tax assets unrecognised

	Year Ended 31 Dec 2003 £'000	Year Ended 31 Dec 2002 £'000
Unrelieved losses	-	11

The utilisation of unrelieved losses is dependant on future taxable profits arising in the Company.

### 13 SEGMENT INFORMATION

The Directors consider there is only one business segment – that of an investment holding company in the United Kingdom.

### 14 RELATED PARTY TRANSACTIONS

The Company's ultimate parent undertaking Old Mutual plc prepares consolidated financial statements which are publicly available. Accordingly the Company has taken advantage of the exemption in Financial Reporting Standard 8 - "Related Party Disclosures" and does not disclose transactions with other entities in the Old Mutual group.

### 15 PARENT UNDERTAKINGS

#### ULTIMATE PARENT UNDERTAKING

Old Mutual plc, registered in England, is the ultimate parent undertaking. Its financial statements are available from:

The Secretary, Old Mutual plc, Old Mutual Place, 2 Lambeth Hill, London EC4V 4GG.

#### IMMEDIATE PARENT UNDERTAKING

Old Mutual Financial Services (UK) plc, incorporated in England is the immediate parent undertaking. Its financial statements are available from:

The Secretary, Old Mutual Financial Services (UK) plc, Old Mutual plc, Old Mutual Place, 2 Lambeth Hill, London EC4V 4GG.

### 16 SUBSIDIARY UNDERTAKINGS

The Company is exempt under Section 228 of the Companies Act 1985 from the obligation to prepare group accounts as consolidated accounts are prepared by the immediate parent undertaking Old Mutual Financial Services (UK) plc.