

SVG INVESTMENT MANAGERS LIMITED

Registered Number - 4493500

**FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 DECEMBER 2004**



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SVG INVESTMENT MANAGERS LIMITED

REPORT OF THE DIRECTORS

The Directors present their report together with the audited financial statements for the year ended 31 December 2004.

REVIEW OF BUSINESS

Change of Name

In May 2004, the Company changed its name to SVG Investment Managers Limited ("SVG IM"). The Company's immediate parent also changed its name to SVG Capital plc.

Principal Activity

SVG Investment Managers Limited is an investment management company. It is also General Partner of a UK Limited Partnership.

Results and Dividends

During the year the Company made a profit after taxation of £94,179 (2003: Profit £208).

There is no dividend payable.

Directors and Directors' Interests

The Directors of the Company and their beneficial, non-beneficial and family interests in the share capital of SVG Capital plc, the Company's immediate parent, during the year to 31 December 2004 are given below:

Ordinary Shares	31 December 2004	31 December 2003
N.E.H. Ferguson	390,241	261,184
G.D. Lloyd	21,834	19,177
R.C. Morris	5,382	5,382
A.C. Williams	13,091	13,091
G. Eastman	8,000	8,000

SVG INVESTMENT MANAGERS LIMITED

REPORT OF THE DIRECTORS

Options Held by Directors over Ordinary Shares of SVG

Director	At 31 Dec 2003	Options Granted	Options Exercised	Options Lapsed	At 31 Dec 2004	Exercise Price	Exercise Dates	
							Earliest	Latest
N.E.H. Ferguson	715,446	-	-	-	715,446	410.0	21 June 2004	20 June 2011
	357,724	-	-	-	357,724	410.0	21 June 2005	20 June 2011
	404,484	-	-	-	404,484	334.5	5 April 2005	4 April 2012
	349,840	-	-	-	349,840	392.8	13 March 2006	12 March 2013
	-	363,256	-	-	363,256	479.0	12 March 2007	11 March 2014
A.C. Williams	373,983	-	-	-	373,983	410.0	21 June 2004	20 June 2011
	186,992	-	-	-	186,992	410.0	21 June 2005	20 June 2011
	272,645	-	-	-	272,645	334.5	5 April 2005	4 April 2012
	239,847	-	-	-	239,847	392.8	13 March 2006	12 March 2013
	-	248,851	-	-	248,851	479.0	12 March 2007	11 March 2014
G. Eastman	101,845	-	-	-	101,845	392.8	13 March 2006	12 March 2013
	-	52,192	-	-	52,192	479.0	12 March 2007	11 March 2014
G.D. Lloyd	162,601	-	-	-	162,601	410.0	21 June 2004	20 June 2011
	81,301	-	-	-	81,301	410.0	21 June 2005	20 June 2011
	138,116	-	-	-	138,116	334.5	5 April 2005	4 April 2012
	80,967	-	-	-	80,967	392.8	13 March 2006	12 March 2013
	-	116,283	-	-	116,283	479.0	12 March 2007	11 March 2014
R.C. Morris	162,601	-	-	-	162,601	410.0	21 June 2004	20 June 2011
	81,301	-	-	-	81,301	410.0	1 June 2005	20 June 2011
	102,840	-	-	-	102,840	334.5	5 April 2005	4 April 2012
	74,347	-	-	-	74,347	392.8	13 March 2006	12 March 2013
	-	85,281	-	-	85,281	479.0	12 March 2007	11 March 2014
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	3,886,880	865,863	-	-	4,752,743			

Creditor Payment Policy

The Company's normal practice is to agree the terms of payment with suppliers at the time of contract and to make payment within the agreed credit term subject to satisfactory performance.


Auditors

Ernst & Young LLP have expressed their willingness to remain in office and resolutions to reappoint them and to authorise the directors to fix their remuneration will be proposed at the Annual General Meeting.

Resolution will be proposed at the Annual General Meeting to appoint as Auditors, Ernst & Young LLP and to authorise the directors to fix their remuneration.

BY ORDER OF THE BOARD

LONDON, 28 April, 2005


 Secretary

SVG INVESTMENT MANAGERS LIMITED
DIRECTORS' RESPONSIBILITY STATEMENT

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for the year. 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 2004 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 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.

The Directors confirm that the financial statements have been prepared on a going concern basis, as they are satisfied that the Company has the resources to continue in business for the foreseeable future.

BY ORDER OF THE BOARD

SVG INVESTMENT MANAGERS LIMITED**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SVG INVESTMENT MANAGERS LIMITED**

We have audited the Company's financial statements for the year ended 31 December 2004 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 9. These financial statements have been prepared on the basis of the accounting policies set out therein.

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 auditors' 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

As described in the Statement of Directors' Responsibilities the Company's Directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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.

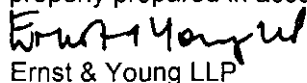
We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 affairs of the Company as at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
London

Date 28TH APRIL 2005

SVG INVESTMENT MANAGERS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2004

	Notes	Year ended 31 December 2004 £	Period ended 31 December 2003 £
TURNOVER			
Management Fees		485,853	3,420
ADMINISTRATIVE EXPENSES	2	(400,000)	(6,000)
OPERATING LOSS		85,853	(2,580)
INTEREST RECEIVABLE		8,326	2,788
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		94,179	208
TAX ON ORDINARY ACTIVITIES	3	-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR		94,179	208
DIVIDENDS		-	-
RETAINED PROFIT FOR THE YEAR AND CARRIED FORWARD		94,179	208

The results above are all in respect of continuing operations of the Company.

There are no differences between the profit on ordinary activities before tax and the profit retained by the Company for the financial year stated above and their historical cost equivalents.

The Company has no recognised gains and losses other than those included in the profit and loss account above, and therefore no separate statement of total recognised gains and losses has been presented.

Notes on pages 8 to 11 form part of these financial statements.

SVG INVESTMENT MANAGERS LIMITED

BALANCE SHEET AT 31 DECEMBER 2004

	Notes	31 December 2004 £	31 December 2003 £
FIXED ASSETS			
Investments	4	<u>100</u>	<u>-</u>
CURRENT ASSETS			
Accrued investment advisory fee income		<u>364,753</u>	<u>2,611</u>
Cash at bank and in hand		<u>235,584</u>	<u>103,597</u>
		<u>600,337</u>	<u>106,208</u>
TOTAL ASSETS		<u>600,437</u>	<u>106,208</u>
CREDITORS			
Amounts falling due within one year:			
Amounts owed to group undertaking		406,000	6,000
Sundry creditors		<u>50</u>	<u>-</u>
		<u>406,050</u>	<u>6,000</u>
NET ASSETS		<u>194,387</u>	<u>100,208</u>
CAPITAL AND RESERVES			
Share capital:			
Ordinary shares of £1 each	5	100,000	100,000
Profit and loss account		<u>94,387</u>	<u>208</u>
Equity shareholders' funds	6	<u>194,387</u>	<u>100,208</u>

Approved by the Board on 28th April 2005 and signed on their behalf



R.C. Morris
Director

Notes on pages 8 to 11 form part of these financial statements.

SVG INVESTMENT MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

- (a) These financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.
- (b) Turnover comprises advisory fees earned.
- (c) As permitted by Financial Reporting Standard 1 (Revised), the Company is not required to produce a cash flow statement as the consolidated financial statements of its ultimate parent company includes its cash flows.
- (d) Trading results denominated in foreign currencies are translated into sterling at average rates of exchange during the year. Assets and liabilities are translated at the exchange rate ruling at the year end except where rates of exchange are fixed under contractual arrangements. Exchange differences are taken to the profit and loss account as they arise.
- (e) Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.
- (f) Deferred tax is provided in accordance with FRS19 on all timing differences that have originated but not reversed by the balance sheet date. Deferred tax assets are only recognised to the extent that they are recoverable.

2. Administrative Expenses

Administration expenses for the year are £400,000 (2003: £6,000). The expenses are payable to SVG Advisers Limited.

SVG IM does not employ any staff and during the year SVG Advisers Limited paid all audit expenses relating to SVG IM.

3. Tax on Profit on Ordinary Activities

- (a) Tax on profit on ordinary activities comprised:

	31 December 2004 £	31 December 2003 £
Current tax		
Corporation tax	-	-
	<hr/>	<hr/>
Tax on profit on ordinary activities	-	-
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SVG INVESTMENT MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Tax on Profit on Ordinary Activities (continued)

b) Factors affecting the current tax charge for the period:

The current tax for the period is lower than the standard rate of corporation tax in the UK (30 per cent). The differences are explained below:

	31 December 2004 £	31 December 2003 £
Profit on ordinary activities before tax	94,179	208
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK 30% (2003: 0%) *	28,354	-
Effects of:		
Group relief claimed at nil cost	(28,254)	-
Current tax charge for period (Note 3a)	-	-

* Profits for 2003 were such that the starting rate of corporate tax of 0% applied.

4. Investments

	31 December 2004 £	31 December 2003 £
General Partner Funds Committed and Called	100	-

SVG INVESTMENT MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. Called up Ordinary Share Capital

	31 December 2004 £	31 December 2003 £
Issued, allotted ordinary and fully paid share capital of £1:		
Brought forward	100,000	100
Additional shares issued	-	99,900
Carried forward	100,000	100,000
Authorised share capital:		
Brought forward	2,500,000	25,000
Addition of share capital	-	2,475,000
Carried forward	2,500,000	2,500,000

6. Reconciliation of Movement in Equity Shareholder's Funds

	31 December 2004 £	31 December 2003 £
Opening equity shareholders' funds	100,208	100
Addition of share capital	-	99,900
Profit for the financial period	94,179	208
Closing equity shareholders' funds	194,387	100,208

7. Related Party Transaction

The Company has taken advantage of the exemption under the provisions of Financial Reporting Standard 8 ("FRS 8"), Related Party Disclosures not to disclose transactions with other group companies since the Company is a wholly owned subsidiary of SVG Capital plc, the consolidated financial statements of which are publicly available.

8. Ultimate Parent Undertaking

The Company's ultimate parent undertaking and controlling party is SVG Capital plc, which is registered in England. Copies of SVG Capital plc's consolidated statements will be available on publication from its Company Secretary at Schroder Investment Management Limited 31 Gresham Street, London EC2V 7QA.

SVG INVESTMENT MANAGERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****9. Non-Consolidation**

The Company is exempt under section 228 of The Companies Act 1985 from preparing group accounts as it is a wholly owned subsidiary of SVG Capital plc, its immediate parent company, which is established in the UK.