

SVIIT INVESTMENT MANAGERS LIMITED

Registered Number - 4493500

**FINANCIAL STATEMENTS
FOR THE PERIOD ENDING 31 DECEMBER 2003**



SVIIT INVESTMENT MANAGERS LIMITED

REPORT OF THE DIRECTORS

The Directors present their report together with the audited financial statements for the period from incorporation on 24 July 2002 to 31 December 2003.

REVIEW OF BUSINESS

Principal Activity

SVIIT Investment Managers Limited ("SVIIT IM") is an investment management company. It is also General Partner of a UK Limited Partnership.

Results and Dividends

During the period the Company made a profit after taxation of £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 SVIIT, the company's immediate parent, during the period to 31 December 2003 are given below:

Ordinary Shares	31 December 2003	24 July 2002
N.E.H. Ferguson	261,184	202,900
G.D. Lloyd	19,177	12,606
R.C. Morris	5,382	5,382
A.C. Williams	13,091	11,235
G. Eastman	8,000	-

Interests in options over the ordinary shares of SVIIT are disclosed within the notes to the accounts (Note 4).

SVIIT INVESTMENT MANAGERS LIMITED**REPORT OF THE DIRECTORS****Creditor Payment Policy**

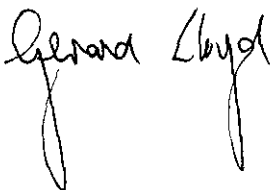
The Company's normal practice is to agree the terms of payment with suppliers at the time of contract and to make payment within the agreed credit term subject to satisfactory performance.

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.

A 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, 27 April, 2004

Secretary

SVIIT INVESTMENT MANAGERS LIMITED
DIRECTORS' RESPONSIBILITY STATEMENT

Company law requires the directors to prepare financial statements for each financial period 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 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 period ended 31 December 2003 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

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

We have audited the Company's financial statements for the period ended 31 December 2003 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 8. 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.

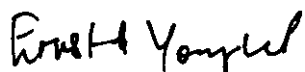
Basis of audit opinion

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 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
London

Date 27 April 2004

SVIIT INVESTMENT MANAGERS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 DECEMBER 2003

	<u>Notes</u>	<u>Period ended</u> <u>31 December</u> <u>2003</u> £
TURNOVER		
Management Fees		3,420
ADMINISTRATION EXPENSES	2	(6,000)
OPERATING LOSS		(2,580)
INTEREST RECEIVABLE		2,787
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		208
TAX ON ORDINARY ACTIVITIES		-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL PERIOD		208
DIVIDENDS		-
RETAINED PROFIT FOR THE PERIOD AND CARRIED FORWARD		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 period 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.

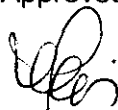
Notes on pages 7 to 9 form part of these financial statements.

SVIIT INVESTMENT MANAGERS LIMITED

BALANCE SHEET AT 31 DECEMBER 2003

	<u>Notes</u>	<u>31 December</u> <u>2003</u> £
CURRENT ASSETS		
Accrued investment advisory fees		2,611
Cash at bank and in hand		103,597
		<u>106,208</u>
		<u>106,208</u>
CREDITORS		
Amounts falling due within one year		
Accruals and deferred income		6,000
		<u>6,000</u>
NET ASSETS		<u>100,208</u>
CAPITAL AND RESERVES		
Share capital:		
Ordinary shares of £1 each	5	100,000
Profit and loss account		208
		<u>100,208</u>
Equity shareholders' funds		<u>100,208</u>

Approved by the Board on 27 April 2004 and signed on their behalf



Chris Morris
Director

SVIIT 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 £6,000. The expenses are payable to Schroder Ventures (London) Limited.

3. Options Held by Directors over Ordinary Shares of SVIIT

Director	At 24 July 2002	Options Granted	Options Exercised	Options Lapsed	At 31 Dec 2003	Exercise Price	Exercise Earliest	Dates* 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
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
G. Eastman	-	101,845	-	-	101,845	392.8	13 March 2006	12 March 2013
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
R.C. Morris	162,601	-	-	-	162,601	410.0	21 June 2004	20 June 2011
	81,301	-	-	-	81,301	410.0	21 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
	3,904,401	1,086,510	-	-	4,990,911			

SVIIT INVESTMENT MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Called up Ordinary Share Capital31 December
2003
£Issued, allotted ordinary and fully paid
share capital of £1:

As at 24 July 2002	100
Additional shares issued	99,900
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As at 31 December 2003	100,000
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Authorised share capital

At 24 July 2002	25,000
Addition of share capital	2,475,000
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At 31 December 2003	2,500,000
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5. Reconciliation of Movement in Equity Shareholder's Funds31 December
2003
£

Opening equity shareholders' funds	100
Addition of share capital	99,900
Profit for the financial period	208
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Closing equity shareholders' funds	100,208
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SVIIT INVESTMENT MANAGERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****6. 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 SVIIT, the consolidated financial statements of which are publicly available.

7. Ultimate Parent Undertaking

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

8. 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 SVIIT, its immediate parent company, which is established in the UK.

SVIIT INVESTMENT MANAGERS LIMITED

Minutes of a Board Meeting Held at 357 Strand, London WC2R 0HS On 27th April 2004

Present: Gerard Lloyd
Chris Morris

(in the chair)



1. Letter of Representation

A draft letter of representation to the Auditors in connection with their examination of the Company's Accounts for the period ended 31 December 2003 was submitted. This was approved and the Board authorised Mr R.C. Morris to sign the letter of representation on behalf of the Company.

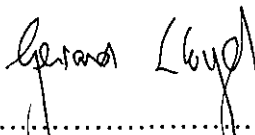
2. Accounts and Balance Sheet

The Accounts of the Company, together with the Directors' Report were submitted to the Board.

- a) The profit and loss account for the period ended 31 December 2003 was approved.
- b) The Balance Sheet as at 31 December 2003 was approved and signed on behalf of the Board by Mr R.C. Morris.
- c) The Directors' Report to the Members, to accompany the above Accounts, was approved as drafted and the Secretary was authorised to sign it.
- d) The FSA Annual Financial Return was approved and signed on behalf of the Board by Mr R.C. Morris and Mr G.D. Lloyd.

3. Final Dividend

There was no dividend to the Shareholder on the register at 31 December 2003.


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Chairman of the Meeting