

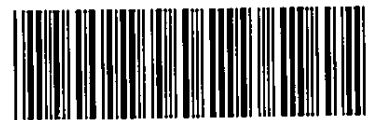
**Renaissance Institutional Management  
(UK) Limited**

**Report and Financial Statements**

**Period Ended**

**31 December 2006**

THURSDAY



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05/04/2007  
COMPANIES HOUSE

**BDO**

**BDO Stoy Hayward**  
Chartered Accountants

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**Renaissance Institutional Management (UK) Limited**

**Annual report and financial statements for the period ended 31 December 2006**

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Directors

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**Directors**

James Harris Simons  
Mendel Mark Silber  
Stephen Robert  
Stefano Russo

**Secretary and registered office**

Katten Muchin Rosenman Cornish LLP, 1-3 Frederick's Place, Old Jewry, London, EC2R 8AE

**Company number**

5730810

**Auditors**

BDO Stoy Hayward LLP, 8 Baker Street, London, W1U 3LL

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## **Renaissance Institutional Management (UK) Limited**

### **Report of the directors for the period ended 31 December 2006**

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The directors present their report together with the audited financial statements for the period ended 31 December 2006. The company was incorporated on 6 March 2006 and commenced trading on 21 June 2006.

#### **Results and dividends**

The profit and loss account is set out on page 5 and shows the profit for the period.

The directors do not recommend the payment of a dividend.

#### **Principal activities, trading review and future developments**

Renaissance Institutional Management (UK) Limited ("the company") was incorporated in England and Wales and is registered with the Financial Services Authority ("FSA") as an intermediary Securities and Futures Firm, effective from July 31, 2006. The company is a wholly owned subsidiary of Renaissance Institutional Management LLC, ("the Parent").

The company engages in the private placement of securities and the solicitation and referral of clients and investors to Renaissance Technologies Corp., ("Rentec"), the ultimate parent of the company, an SEC registered investment advisor, and to private investment funds managed by Rentec. In exchange for its services, Rentec pays the company placement fees.

#### **Principal risks and uncertainties**

The main financial risk arising from the company's activities is liquidity risk. This is monitored by the board of directors and is not considered to be significant at the balance sheet date.

The company's policy in respect of liquidity risk is to maintain readily accessible bank deposit accounts to ensure the company has sufficient funds for operations. The cash deposits are held in a mixture of short term deposits and current accounts which earn interest at a floating rate.

#### **Directors**

The directors of the company during the period were:

James Harris Simons	(appointed 6 March 2006)
Mendel Mark Silber	(appointed 6 March 2006)
Stephen Robert	(appointed 6 March 2006)
Stefano Russo	(appointed 10 May 2006)

No director had any interest in the ordinary shares of the company.

Messrs Silber and Robert are also officers of the Parent company, Renaissance Institutional Management LLC.

**Renaissance Institutional Management (UK) Limited**

**Report of the directors for the period ended 31 December 2006 (*Continued*)**

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**Directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial period 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. 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,
- 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 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 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.

**Auditors**

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO Stoy Hayward LLP, who were appointed as first auditors of the company by the directors, have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

**On behalf of the Board**



**M Silber  
Director**

30 March 2007

## **Renaissance Institutional Management (UK) Limited**

### **Report of the independent auditors**

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#### **To the shareholder of Renaissance Institutional Management (UK) Limited**

We have audited the financial statements of Renaissance Institutional Management (UK) Limited for the period ended 31 December 2006 which comprise the profit and loss account, the reconciliation of movements in shareholder's funds, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

#### *Respective responsibilities of directors and auditors*

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been 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 those 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 other transactions 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.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

#### *Basis of audit opinion*

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

**Renaissance Institutional Management (UK) Limited**

**Report of the independent auditors (*Continued*)**

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*Opinion*

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

  
**BDO STOY HAYWARD LLP**  
*Chartered Accountants  
and Registered Auditors*  
London

30 March 2007

**Renaissance Institutional Management (UK) Limited**

**Profit and loss account for the period ended 31 December 2006**

	Note	\$
Turnover	2	3,086,792
Gross profit		3,086,792
Administrative expenses	3	3,019,073
Operating profit	5	67,719
Other interest receivable		10,381
Interest payable	6	2,436
Profit on ordinary activities before taxation		75,664
Taxation on profit on ordinary activities	7	63,298
Profit on ordinary activities after taxation		12,366

All amounts relate to continuing activities

All recognised gains and losses are included in the profit and loss account

The notes on pages 9 to 15 form part of these financial statements

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**Renaissance Institutional Management (UK) Limited**

**Reconciliation of movements in shareholders' funds for the period ended 31 December 2006**

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	\$
Profit for the period	12,366
Issuance of shares	700,000
Capital contribution for shares to be issued	2,332,350
	<hr/>
Closing shareholder's funds	3,044,716
	<hr/>

The notes on pages 9 to 15 form part of these financial statements




**Renaissance Institutional Management (UK) Limited**

**Balance sheet at 31 December 2006**

	Note	\$	\$
<b>Fixed assets</b>			
Tangible assets	8		554,792
<b>Current assets</b>			
Debtors	9	637,992	
Cash at bank and in hand		2,479,683	
		<u>3,117,675</u>	
<b>Creditors: amounts falling due within one year</b>	10	429,522	
		<u>2,688,153</u>	
<b>Net current assets</b>			2,688,153
<b>Total assets less current liabilities</b>			<u>3,242,945</u>
<b>Creditors: amounts falling due after more than one year</b>	11		198,229
			<u>3,044,716</u>
<b>Capital and reserves</b>			
Called up share capital	12		700,000
Profit and loss account	13		12,366
Other reserve	13		2,332,350
			<u>3,044,716</u>
<b>Shareholder's funds</b>			<u>3,044,716</u>

The financial statements were approved by the Board of Directors and authorised for issue on 30 March 2007



M Silber  
Director

The notes on pages 9 to 15 form part of these financial statements

**Renaissance Institutional Management (UK) Limited****Cash flow statement for the period ended 31 December 2006**

	<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>Net cash inflow from operating activities</b>	<b>17</b>		<b>67,511</b>
<b>Returns on investments and servicing of finance</b>			
Interest received		<b>10,381</b>	
Interest paid		<b>(2,436)</b>	
<b>Net cash inflow from returns on investments and servicing of finance</b>			<b>7,945</b>
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets			<b>(628,123)</b>
<b>Financing</b>			
Issue of shares		<b>700,000</b>	
Capital contribution for shares to be issued		<b>2,332,350</b>	
			<b>3,032,350</b>
<b>Increase in cash</b>	<b>19</b>		<b>2,479,683</b>

The notes on pages 9 to 15 form part of these financial statements

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**Renaissance Institutional Management (UK) Limited**

**Notes forming part of the financial statements for the period ended 31 December 2006**

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**1 Accounting policies**

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

The following principal accounting policies have been applied

*Turnover*

Turnover represents placement fees for services provided relating to the private placement of securities and the solicitation and referral of clients and investors to Rentec and to private investment funds managed by Rentec. Turnover is recognised when earned

*Depreciation*

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, evenly over their expected useful lives as follows

Fixtures, fittings and equipment	- 3 - 7 years
Leasehold improvements	- over term on lease - 10 years

*Taxation*

The charge for taxation is based on the profit for the year and taken into account taxation deferred

Current tax is measured at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences

Deferred tax balances are not discounted

*Leases*

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the term of the lease

*Pension costs*

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the period in which they become payable. The assets of the scheme are held separately in an independently administered fund

## Renaissance Institutional Management (UK) Limited

### Notes forming part of the financial statements for the period ended 31 December 2006 (*Continued*)

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#### 1 Accounting policies (*Continued*)

##### *Functional currency*

The company's functional currency for accounting and reporting purposes is US Dollar

##### *Foreign currency*

Foreign currency transactions are translated into US dollars at the rate ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Rates utilised as at 31 December 2006 were \$1 - £0.5104 and \$ - €0.7574. Any differences are taken to the profit and loss account.

##### *Dividends*

Equity dividends are recognised when they become legally payable. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Dividends on shares wholly recognised as liabilities are recognised as expenses and classified within interest payable.

##### *Financial liabilities and equity*

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

##### *Liquid resources*

For the purposes of the cash flow statement, liquid resources are defined as current asset investments and short term deposits.

#### 2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United States.

#### 3 Employees

\$

Staff costs consist of

Wages and salaries	1,768,361
Social security costs	99,070
Other pension costs	53,000
	<hr/>
	1,920,431
	<hr/>

The average number of employees during the period was 3

**Renaissance Institutional Management (UK) Limited**

**Notes forming part of the financial statements for the period ended 31 December 2006 (Continued)**

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<b>4</b>	<b>Directors' remuneration</b>	<b>\$</b>
	Directors' emoluments and emoluments of the highest paid director	1,434,211
		<hr/>
<b>5</b>	<b>Operating profit</b>	<b>\$</b>
	This has been arrived at after charging	
	Auditors' remuneration – audit services	20,000
	Operating lease rentals	333,580
	Foreign exchange loss	8,796
		<hr/>
<b>6</b>	<b>Interest payable</b>	<b>\$</b>
	Bank interest	2,436
		<hr/>
<b>7</b>	<b>Taxation on profit on ordinary activities</b>	<b>\$</b>
	<i>Current tax</i>	
	UK corporation tax on profits of the period	77,026
	<i>Deferred tax</i>	
	Origination and reversal of timing differences	(13,728)
		<hr/>
	Taxation on profit on ordinary activities	63,298
		<hr/>

**Renaissance Institutional Management (UK) Limited**

**Notes forming part of the financial statements for the period ended 31 December 2006 (Continued)**

**7 Taxation on profit on ordinary activities (Continued)**

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below

	\$
Profit on ordinary activities before tax	75,664
Profit on ordinary activities at the standard rate of corporation tax in the UK of 30%	22,699
Effects of	
Expenses not deductible for tax purposes	40,516
Capital allowances for period in deficit of depreciation	4,108
Movement on provisions	15,900
Marginal relief	(6,197)
Current tax charge for period	77,026

**8 Tangible assets**

	Leasehold improvements \$	Fixtures, fittings and equipment \$	Total \$
<i>Cost</i>			
Additions and at 31 December 2006	250,477	377,646	628,123
<i>Depreciation</i>			
Provided for the period and at 31 December 2006	8,247	65,084	73,331
<i>Net book value</i>			
At 31 December 2006	242,230	312,562	554,792

**Renaissance Institutional Management (UK) Limited**

**Notes forming part of the financial statements for the period ended 31 December 2006 (Continued)**

<b>9 Debtors</b>	<b>\$</b>
Other debtors	622,008
Prepayments	15,984
	<hr/>
	637,992
	<hr/>

Included within other debtors is an amount of \$437,666 relating to rent deposits which is recoverable in more than one year

<b>10 Creditors: amounts falling due within one year</b>	<b>\$</b>
Amounts owed to parent company	142,892
Corporation tax	77,026
Other creditors	189,604
Accruals	20,000
	<hr/>
	429,522
	<hr/>

<b>11 Creditors: amounts falling due after more than one year</b>	<b>\$</b>
Other creditors - deferred rent	198,229
	<hr/>

<b>12 Share capital</b>	<b>Authorised</b>	
	<b>Number</b>	<b>\$</b>
Ordinary shares of \$1 each	1,000,000	1,000,000
	<hr/>	<hr/>
	<b>Allotted, called up fully paid</b>	
	<b>Number</b>	<b>\$</b>
Ordinary shares of \$1 each	700,000	700,000
	<hr/>	<hr/>

During the financial period, the company issued 700,000 ordinary shares of \$1 each at par

On 26 February 2007, an amount of \$2,332,350 included in the other reserve was converted into 2,332,350 ordinary shares of \$1 each

**Renaissance Institutional Management (UK) Limited**

**Notes forming part of the financial statements for the period ended 31 December 2006 (Continued)**

**13 Reserves**

	<b>Other reserve \$</b>	<b>Profit and loss account \$</b>
Profit for period	-	12,366
Capital contribution for shares to be issued	2,332,350	-
	<hr/>	<hr/>
At 31 December 2006	<b>2,332,350</b>	<b>12,366</b>
	<hr/>	<hr/>

**14 Commitments under operating leases**

As at 31 December 2006, the company had annual commitments under non-cancellable operating leases as set out below

	<b>Land and buildings \$</b>
Operating leases which expire	
Over five years	<b>504,000</b>
	<hr/>

**15 Related party transactions**

As 100% of the voting rights of the company are controlled within the group headed by Renaissance Technologies Corp, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group

**16 Pension scheme**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to \$53,000. Contributions totalling \$53,000 were payable to the fund at the balance sheet date and are included in creditors.



**Renaissance Institutional Management (UK) Limited**

**Notes forming part of the financial statements for the period ended 31 December 2006 (Continued)**

<b>17 Reconciliation of operating profit to net cash inflow from operating activities</b>		<b>\$</b>
Operating profit		67,719
Depreciation		73,331
(Increase) in debtors		(624,264)
Increase in creditors		550,725
		<hr/>
Net cash inflow from operating activities		67,511
		<hr/>
<b>18 Reconciliation of net cash inflow to movement in net funds</b>		<b>\$</b>
Increase in cash in the period		2,479,683
		<hr/>
Movement in net funds		2,479,683
		<hr/>
Closing net funds		2,479,683
		<hr/>
<b>19 Analysis of net funds</b>		
	<b>Cash flow</b>	<b>At 31 December 2006</b>
	<b>\$</b>	<b>\$</b>
Cash in hand and at bank	2,479,683	2,479,683
	<hr/>	<hr/>
Total	2,479,683	2,479,683
	<hr/>	<hr/>

**20 Ultimate parent company**

At 31 December 2006 the company's ultimate parent company was Rentec which is the parent of both the smallest and largest groups of which the company is a member

At 31 December 2006 the company's immediate parent company was Renaissance Institutional Management LLC, a US Company. The company's ultimate controlling party is Renaissance Technologies Corp, which published consolidated financial statements for the group. The consolidated accounts are kept on file at the registered office at 800 Third Avenue, New York, NY10022, USA