

Company Number: SC016320

INVERESK STOCKHOLDERS LIMITED

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2004



INVERESK STOCKHOLDERS LIMITED

DIRECTORS' REPORT

The directors submit their annual report and audited financial statements for the year ended 31 December 2004.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The Company is an investment holding company, which owned the whole of the issued share capital of Dresdner Kleinwort Holdings Inc., a company incorporated in the United States of America. This company and its subsidiaries are engaged in leasing and private equity related businesses.

On 28 May 2004 the Company's authorised ordinary share capital was increased to 200,000 shares of £1 each. On the same date 500 ordinary shares of £1 each were issued with a total premium of £78,780,171 in order to facilitate an additional investment of £78,780,671 into Dresdner Kleinwort Holdings Inc. The investment was then sold for \$1 to Dresdner Bank AG.

On 30 September 2004 a capital contribution of £26,828,266 arose from the forgiveness of loans by the immediate parent undertaking.

As a result of these transactions the Company became inactive and the directors do not expect the Company to trade for the foreseeable future.

RESULTS AND DIVIDENDS

The results of the Company for the year are set out in detail on page 4. The directors do not recommend the payment of a dividend (2003: Nil). The loss for the year of £78,493,158 (2003 profit: £3,108,269) will be deducted from reserves.

DIRECTORS AND DIRECTORS' INTERESTS

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

A D Levy (Appointed 15 October 2004)
P L Longcroft

K P Collins resigned as a director of the Company on 15 October 2004.

Subsequent to the year end on 24 June 2005 P L Longcroft resigned as a director of the Company and J C Wall was appointed as a director of the Company.

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.

INVERESK STOCKHOLDERS LIMITED

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 of the Company for that period.

In preparing the 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;
- 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 that 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

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. Accordingly, KPMG Audit Plc will remain in office.

Approved by the Board of Directors
and signed on behalf of the Board



J C Wall
Secretary

28 June 2005

INVERESK STOCKHOLDERS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INVERESK STOCKHOLDERS LIMITED

We have audited the financial statements on pages 4 to 9.

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

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 OUR 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 2004 and its loss 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
London

28 June 2005

INVERESK STOCKHOLDERS LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 December

	Note	2004 £	2003 £
Other operating income	2	287,512	3,108,269
Net operating income		287,512	3,108,269
Amounts written off fixed asset investments	5	(78,780,670)	-
(Loss)/profit on ordinary activities before and after taxation		(78,493,158)	3,108,269

All activities relate to discontinued operations.

The Company has no recognised gains or losses other than the loss on ordinary activities shown above and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 6 to 9 form part of these financial statements.

INVERESK STOCKHOLDERS LIMITED

BALANCE SHEET as at 31 December

	Note	2004 £	2003 £
Fixed assets			
Investment	5	-	-
Current assets			
Cash held with the immediate parent undertaking		1	645,680
Creditors - amounts falling due within one year			
Amount due to the immediate parent undertaking	6	-	(27,761,458)
Net current assets/(liabilities)		1	(27,115,778)
Total assets less current liabilities		1	(27,115,778)
Capital and reserves			
Called up share capital	7	540,600	540,100
Share premium account	9	79,008,278	228,107
Capital contribution	9	26,828,266	-
Profit and loss account	9	(106,377,143)	(27,883,985)
Total shareholders' funds/(deficit)		1	(27,115,778)
Analysed between:			
Equity		-	(27,475,778)
Non-equity		1	360,000
		1	(27,115,778)

These financial statements were approved by the Board of Directors on 28 June 2005.

Signed on behalf of the Board of Directors



A D Levy
Director

The notes on pages 6 to 9 form part of these financial statements.

INVERESK STOCKHOLDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2004

1. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention. The particular accounting policies adopted are described below.

In accordance with Section 228(2) of the Companies Act 1985, group accounts have not been prepared as the Company is a wholly owned subsidiary undertaking of Dresdner Kleinwort Wasserstein Limited. The Company's subsidiary undertakings are consolidated in the financial statements of Dresdner Kleinwort Wasserstein Group Limited, an intermediate parent undertaking.

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date.

Exchange differences arising on the translation of the opening investment in overseas subsidiaries and that arising on the related funding loan are shown as movements on reserves. Exchange differences on the balance of the funding loan are taken to the profit and loss account.

Cash flow statement

The Company has taken advantage of Financial Reporting Standard 1 (revised) not to prepare a cash flow statement on the grounds that an intermediate parent undertaking, Dresdner Kleinwort Wasserstein Group Limited, prepares consolidated financial statements which are publicly available.

Investments

Investments in subsidiary undertakings are carried in the balance sheet at cost less provision for impairment.

Disclosure of related party transactions

Inveresk Stockholders Limited's intermediate parent undertaking, Dresdner Kleinwort Wasserstein Group Limited, prepares consolidated financial statements which are publicly available. Accordingly, advantage has been taken in these financial statements of the exemptions available in Financial Reporting Standard 8 from disclosure of transactions with entities that are part of the Group or investees of Group entities as related parties.

2. OTHER OPERATING INCOME

The other operating income for the current and previous year is exchange gains on foreign currency assets and liabilities (not hedged through reserves).

3. ADMINISTRATIVE EXPENSES

The Company had no employees during the year. In addition, no director received any remuneration in respect of their services to the Company. All expenses, including auditors' remuneration, are borne by Dresdner Kleinwort Wasserstein Limited, the immediate parent undertaking.

INVERESK STOCKHOLDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2004

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2004 £	2003 £
Current year tax	-	-
Factors affecting the tax charge for the period: (Loss) / profit on ordinary activities before tax	(78,493,158)	3,108,269
(Loss) / profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% Effects of:	(23,547,947)	932,481
Expenses not deductible for tax purposes	23,634,201	-
Losses surrendered at no charge	(86,254)	(932,481)
	-	-

5. INVESTMENT HELD AS FIXED ASSETS

Shares in subsidiary undertaking

	£
Cost	
At 1 January 2004	32,776,950
Addition	78,780,671
Disposal	(111,557,621)
At 31 December 2004	-

Provisions

At 1 January 2004	32,776,950
Charge for the year	78,780,670
Disposal	(111,557,620)
At 31 December 2004	-

Net book value

At 1 January and 31 December 2004	-
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The Company owned the whole of the issued share capital of Dresdner Kleinwort Holdings Inc., a company incorporated in the United States of America. This company and its subsidiaries are engaged in leasing and private equity related businesses.

On 28 May 2004 an additional investment of £78,780,671 was made into Dresdner Kleinwort Holdings Inc. The investment was then sold for \$1 to Dresdner Bank AG. The loss resulting from this transaction was covered by the issue of new ordinary share capital, at a premium, on the same date.

INVERESK STOCKHOLDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2004

6. AMOUNT DUE TO THE IMMEDIATE PARENT UNDERTAKING

The reduction in the amount due to the immediate parent undertaking arose from the capital contribution by way of forgiveness of loans by the immediate parent undertaking, following the sale of Dresdner Kleinwort Holdings Inc.

7. CALLED UP SHARE CAPITAL

	2004	2003
	£	£
Authorised		
3.5% cumulative preference shares of £1 each	360,000	360,000
Ordinary shares of £1 each	200,000	180,100
Unclassified shares of £1 each	209,900	209,900
	<hr/>	<hr/>
	769,900	750,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
3.5% cumulative preference shares of £1 each	360,000	360,000
Ordinary shares of £1 each	180,600	180,100
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	540,600	540,100
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The rate of dividend of the 3.5% cumulative preference shares is 3.5% plus the associated tax credit. On a return of capital on a winding-up, the holders shall be entitled to £1 per share, in preference to all other classes of shareholders. Holders of these shares are not entitled to vote at meetings.

On 28 May 2004 the Company's authorised ordinary share capital was increased to 200,000 shares of £1 each. On the same date 500 ordinary shares of £1 each were issued with a total premium of £78,780,171 in order to facilitate an additional investment into Dresdner Kleinwort Holdings Inc.

8. CONTINGENT LIABILITY

As a result of having negative distributable reserves the Company has not paid any dividends on the 3.5% cumulative preference shares since 30 June 1966. The total arrears balance of £485,100 (2003 - £472,500) has not been accrued in these financial statements as payment of these dividends is deemed to be remote.

INVERESK STOCKHOLDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2004

9. COMBINED RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS AND STATEMENT OF MOVEMENTS ON RESERVES

	2004 Issued Share Capital £	2004 Share Premium Account £	2004 Capital Contribution £	2004 Profit and Loss Account £	2004 Total £	2003 Total £
Shareholders' funds brought forward	540,100	228,107	-	(27,883,985)	(27,115,778)	(30,224,047)
Ordinary shares issued during the year	500	78,780,171	-	-	78,780,671	-
Capital contribution	-	-	26,828,266	-	26,828,266	-
(Loss) / profit after taxation	-	-	-	(78,493,158)	(78,493,158)	3,108,269
Shareholders' funds carried forward	540,600	79,008,278	26,828,266	(106,377,143)	1	(27,115,778)

The capital contribution arises from the forgiveness of loans by the immediate parent undertaking.

10. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is 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 2004 will be filed in due course at the Companies Registration Office, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ. Financial statements of Allianz AG are available from Allianz AG, Investor Relations, Koeniginstrasse 28, D-80802 Munich, Germany.