

STANDARD LIFE INVESTMENTS



STANDARD LIFE INVESTMENTS
(PRIVATE EQUITY) LIMITED

**REPORT AND ACCOUNTS
FOR THE YEAR ENDED
15 NOVEMBER 2000**

Registered in Scotland Number SC184076

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(PRIVATE EQUITY) LIMITED

**REPORT AND ACCOUNTS
FOR THE YEAR ENDED
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REPORT AND ACCOUNTS**STANDARD LIFE INVESTMENTS (PRIVATE EQUITY) LIMITED**

Directors : A M Crombie, FFA (Chairman)
D Currie, BSc MBA
J D Maxwell, LLB MBA

Secretary : P W Somerville, LLB

STANDARD LIFE INVESTMENTS (PRIVATE EQUITY) LIMITED**REPORT BY THE DIRECTORS**

The directors submit their Report and Accounts for the year ended 15 November 2000.

Annual General Meeting

As permitted by Section 366A of the Companies Act 1985, the Company has passed an elective resolution to dispense with the holding of annual general meetings.

Result and dividend

The Company made a profit for the year ended 15 November 2000 of £6,654 (1999 - profit of £149) against which was charged exchange differences on non-equity shareholdings of £71,123 (1999 - £nil).

The directors do not recommend the payment of a dividend. The loss retained for the year has been charged to reserves.

Principal activities and business review

The principal activity of the Company is to provide investment management services to Standard Life Investments (General Partner) Limited.

Authorised Share Capital

On 14 January 2000 the authorised share capital of the Company was increased by US\$750,000 through the creation of 750,000 redeemable preference shares of US\$1 each. On 24 January 2000, 750,000 redeemable preference shares of US\$1 were issued at par to the parent undertaking.

Economic and Monetary Union

The Company's income and expenses are denominated in Sterling. The directors will closely monitor the development of Economic and Monetary Union (EMU), but at present no specific action is required.

Directors and their interests

The names of the current directors of the Company are shown on page 1. There were no changes during the year.

The appointment of directors is not subject to retirement by rotation. None of the directors has a beneficial interest in the shares of the Company, which is a wholly owned subsidiary of Standard Life Investments Limited.

Auditors

The auditors, PricewaterhouseCoopers, Chartered Accountants, are willing to continue in office.

On behalf of the Board of Directors

P W Somerville, Secretary

Edinburgh, 27 February 2001

STANDARD LIFE INVESTMENTS (PRIVATE EQUITY) LIMITED
PROFIT AND LOSS ACCOUNT
for the year ended 15 November 2000

	Note	2000 £	1999 £
Turnover	2	2,133,903	419,270
Administrative expenses	4	(2,133,903)	(419,270)
Operating profit		-	-
Interest receivable and similar income		33,720	213
Profit on ordinary activities before taxation		33,720	213
Taxation	7	(27,066)	(64)
Profit on ordinary activities after taxation		6,654	149
Exchange differences on non-equity shareholdings		(71,123)	-
(Loss)/Profit retained for the year		(64,469)	149
Balance brought forward		149	-
Balance carried forward		(64,320)	149

There are no recognised gains or losses other than the exchange differences and the loss for the year.

The loss for the year relates wholly to continuing activities.

STANDARD LIFE INVESTMENTS (PRIVATE EQUITY) LIMITED

BALANCE SHEET

as at 15 November 2000

	Note	2000 £	1999 £
CURRENT ASSETS			
Amounts owed by group undertakings		56,500	-
Cash at bank and in hand		492,873	5,213
		<u>549,373</u>	<u>5,213</u>
CURRENT LIABILITIES			
Creditors - <i>Amounts falling due within one year</i>	8	(83,630)	(64)
NET CURRENT ASSETS		<u>465,743</u>	<u>5,149</u>
CAPITAL AND RESERVES			
Called up share capital	9	530,063	5,000
Profit and loss account		(64,320)	149
TOTAL SHAREHOLDER'S FUNDS		<u>465,743</u>	<u>5,149</u>
Shareholder's funds:			
Equity	10	(59,320)	5,149
Non-equity	10	525,063	-
TOTAL SHAREHOLDER'S FUNDS		<u>465,743</u>	<u>5,149</u>

On behalf of the Board of Directors



A M Crombie Chairman

Edinburgh, 27 February 2001

STANDARD LIFE INVESTMENTS (PRIVATE EQUITY) LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

(a) Accounting convention

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

(b) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated at the rate ruling at the date of the transaction. All differences are taken to the Profit and Loss Account.

2. TURNOVER

Turnover, which is stated net of VAT, is derived primarily from the provision of investment management services to Standard Life Investments (General Partner) Limited.

3. SEGMENTAL REPORTING

During year the Company had no material activities outside the United Kingdom. Accordingly, no segmental information is disclosed.

4. ADMINISTRATIVE EXPENSES

The Company has no employees (1999 - nil) and was managed by the parent undertaking. Expenses met by the parent and ultimate parent undertakings are recovered through administrative and management charges.

5. AUDITORS' REMUNERATION

Auditors' remuneration amounted to £2,100 (1999 - £2,000) in respect of audit services and £1,550 (1999 - £1,500) in respect of other services.

6. DIRECTORS' REMUNERATION

The Chairman, who is also a director of the parent undertaking, Standard Life Investments Limited, received no remuneration in respect of his services to the Company.

The remaining directors are executives of the parent undertaking, Standard Life Investments Limited. The administrative charges from Standard Life Investments Limited include an amount of £325,492 (1999 - £73,715) in respect of remuneration for their services as directors to the Company during the year.

The directors are participants in a long-term incentive plan. The benefits arising under the incentive plan are recorded in the aggregate remuneration in the period in which they are paid to the directors.

Retirement benefits are accruing to these directors in respect of their services to the Company under a defined benefit scheme operated by the ultimate parent undertaking.

The highest paid director, in respect of services to the Company, received aggregate remuneration of £163,871 during the year. At 15 November 2000, the highest paid director also held accrued pension benefits of £16,702 under the defined benefit pension scheme operated by the ultimate parent undertaking.

STANDARD LIFE INVESTMENTS (PRIVATE EQUITY) LIMITED

NOTES TO THE ACCOUNTS (Continued)

7. TAXATION

	2000	1999
	£	£
UK Corporation Tax: Amounts payable to group undertakings in respect of group relief	27,066	64

8. CREDITORS - *Amounts falling due within one year*

	2000	1999
	£	£
Amounts owed to group undertakings	83,630	64

Included within the amounts owed to group undertakings is an amount of £27,130 (1999 - £64) in respect of current and prior years' group relief.

9. CALLED UP SHARE CAPITAL

	Authorised			
	2000		1999	
	No.	Currency	No.	Currency
Ordinary Shares of £1 each	200,000	£200,000	200,000	£200,000
Redeemable Preference Shares of US\$1 each	750,000	US\$750,000	-	-

	Allotted, Called Up and Fully Paid					
	2000			1999		
	No.	Curr.	£	No.	Curr.	£
Ordinary Shares of £1 each	5,000	£5,000	5,000	5,000	£5,000	5,000
Redeemable Preference Shares of US\$1 each	750,000	US\$750,000	525,063	-	-	-
TOTAL			530,063			5,000

On 14 January 2000 the authorised share capital of the Company was increased by US\$750,000 through the creation of 750,000 zero coupon redeemable preference shares ("Redeemable Preference Shares") of US\$1 each. On 24 January 2000, 750,000 Redeemable Preference Shares of US\$1 were issued at par to the parent undertaking for cash consideration of £453,940.

The Redeemable Preference Shares have been retranslated at the exchange rate ruling at the balance sheet date. The resultant loss on exchange, £71,123, has been recorded in the profit and loss account for the year.

The Redeemable Preference Shares carry no voting rights and, on giving 30 days notice, are redeemable at any time. The redemption price for each Redeemable Preference Share is US\$1. On a liquidation or reduction of capital, the surplus assets of the Company remaining after payment of its liabilities is applied first in paying, to the holders of the Redeemable Preference Shares, an amount equal to the subscription price (inclusive of any premium) paid for such shares and any balance remaining thereafter is distributed amongst the holders of the ordinary shares.

STANDARD LIFE INVESTMENTS (PRIVATE EQUITY) LIMITED

NOTES TO THE ACCOUNTS (Continued)

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2000		1999
	Equity £	Non-Equity £	Equity £
Opening shareholder's funds	5,149	-	2
New share capital subscribed	-	453,940	4,998
Profit for the year	6,654	-	149
Exchange difference on redeemable preference shares (note 9)	(71,123)	71,123	-
Closing shareholder's funds	(59,320)	525,063	5,149

11. CASHFLOW STATEMENT

A Cashflow Statement has not been provided. The Company has taken advantage of the exemption contained in Financial Reporting Standard 1 (Revised) "Cashflow Statements", as group accounts in which the Company is included are available.

12. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemptions under paragraph 3(c) of Financial Reporting Standard 8 from disclosing transactions with other undertakings of the Standard Life Group.

13. PARENT UNDERTAKINGS

The Company is a wholly owned subsidiary of Standard Life Investments Limited. The ultimate parent undertaking is The Standard Life Assurance Company. The accounts of the ultimate parent undertaking are the only group accounts incorporating the accounts of this Company.

Copies of the accounts of the ultimate parent undertaking can be obtained at Standard Life House, 30 Lothian Road, Edinburgh EH1 2DH.

STANDARD LIFE INVESTMENTS (PRIVATE EQUITY) LIMITED**DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare accounts for each financial year which comply with the Companies Act 1985 and 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 addition, the directors should take all reasonable steps to ensure that adequate accounting records are maintained, that the assets of the Company are safeguarded and that fraud and other irregularities are prevented or detected.

The directors confirm that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of the accounts of the Company for the year ended 15 November 2000. The directors also confirm that the accounts have been appropriately prepared on a going concern basis and that applicable accounting standards have been followed as described in the Accounting Policies.

AUDITORS' REPORT TO THE MEMBERS OF STANDARD LIFE INVESTMENTS (PRIVATE EQUITY) LIMITED

We have audited the accounts on pages 3 to 7.

Respective responsibilities of directors and auditors

As described above, the directors are responsible for preparing the accounts, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the accounts, 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 is not disclosed.

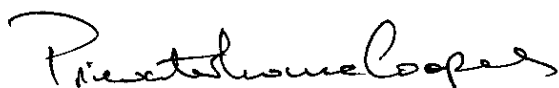
Basis of audit opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the Company's affairs at 15 November 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors

Edinburgh, 27 February 2001