


Platinum Fund Managers Limited

Report and Accounts

29 February 2004

Company Number: SC211208

 **ERNST & YOUNG**



Directors' report

The Directors present their report and accounts for the year ended 29 February 2004.

Results and dividends

The profit for the year after taxation amounted to £57,728 (2003: £34,984) and has been transferred to reserves. The Directors do not recommend the payment of a dividend.

Principal activity and review of the business

The principal activity of the company is the management of Platinum Investment Trust plc, a UK Investment Trust. The company is authorised and regulated by the Financial Services Authority.

Platinum Fund Managers Limited takes primary responsibility for assisting the board with the day to day investment decisions of the trust and is entitled to receive a basic fee equivalent to 0.75 per cent. per annum of the total assets less current liabilities of the trust.

Share capital

The entire issued Ordinary share capital of the company is held by Platinum Fund Managers (Holdings) Limited.

Directors and their interests

The Directors who held office during the year were as follows:

A S Forsyth (appointed 6 May 2003)
E D McAuslan
A F Mills
D M Munro

No director has any beneficial interest in the share capital of the company.

The beneficial interests of the Directors in the share capital of Platinum Fund Managers (Holdings) Limited, the parent undertaking, are:

	<i>Ordinary shares</i>
A S Forsyth	5,333
E D McAuslan	16,000
A F Mills	16,000
D M Munro	16,000

A S Forsyth was appointed a director on 6 May 2003.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the member at the annual general meeting.

By order of the Board

Director 
DM COMPANY SERVICES LIMITED

Secretary

16 Charlotte Square
Edinburgh
EH2 4DF

Statement of Directors' responsibilities in respect of the accounts

Company law requires the Directors to prepare accounts 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 those accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts 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 accounts 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.

Independent auditors' report

to the members of Platinum Fund Managers Limited

We have audited the company's financial statements for the year ended 29 February 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 29 February 2004 and of the company's profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Registered Auditor

Edinburgh

25 June 2004

Profit and loss account

for the year ended 29 February 2004

	Notes	2004 £	2003 £
Turnover		503,207	282,435
Administrative expenses		(436,637)	(243,834)
Operating profit	2	66,570	38,601
Bank interest receivable		4,699	3,674
Profit on ordinary activities before taxation		71,269	42,275
Tax on profit on ordinary activities	3	(13,541)	(7,291)
Profit for the financial period	6	57,728	34,984

Recognised gains and losses

There are no recognised gains or losses other than the profit for the year of £57,728 (2003: £34,984).

Balance sheet

at 29 February 2004

	Notes	2004 £	2003 £
Current assets			
Debtors	4	31,383	920
Cash at bank and in hand		301,268	210,520
		<u>332,651</u>	<u>211,442</u>
Creditors: amounts falling due in less than one year	5	147,891	84,410
Net current assets		<u>184,760</u>	<u>127,032</u>
Total assets less current liabilities		<u>184,760</u>	<u>127,032</u>
Capital and reserves:			
Share capital	6	9,000	9,000
Share premium	7	81,000	81,000
Profit and loss account	7	94 ,760	37,032
Shareholder's funds		<u>184,760</u>	<u>127,032</u>

ERNST & YOUNG

Approved by:



Director
18th June 2004

Notes to the accounts

at 29 February 2004

1. Accounting policies

Basis of preparation

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

2. Operating profit

The operating profit represents the excess of management fees over administrative expenses. The company had no employees for the period ended 29 February 2004 (2003: Nil).

3. Tax on profit on ordinary activities

	2004 £	2003 £
Tax on profit on ordinary activities	13,541	7,291
A reconciliation of the tax charge is set out below:		
Profit on ordinary activities before tax	71,269	42,275
Profit on ordinary activities multiplied by the tax rate of 30%	21,381	12,683
Marginal relief	(7,840)	(4,560)
Prior year over provision corporation tax	-	(682)
Losses brought forward	-	(150)
Tax on profit on ordinary activities	13,541	7,291

4. Debtors

	2004 £	2003 £
Due from parent company	30,463	-
Prepayments	920	920
	31,383	920

5. Creditors: amounts falling due within one year

	2004 £	2003 £
Amount owed to parent company	-	2,076
Deferred income	104,556	68,636
Accruals	807	3,458
Corporation Tax	3,821	682
Group relief payable to parent company	17,011	7,291
Other taxes and social security	21,696	2,267
	147,891	84,410

Notes to the accounts

at 29 February 2004

6. Share capital

	<i>Authorised</i>		<i>Issued and fully paid</i>	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Ordinary shares of £0.10 each	1,000,000	1,000,000	9,000	9,000

7. Reconciliation of reserves and movements in shareholder's funds

	<i>Called up shares £</i>	<i>Share Premium £</i>	<i>Profit and loss account £</i>	<i>Share- holder's funds £</i>
At 28 February 2003	9,000	81,000	37,032	127,032
Profit for the year	-	-	57,728	57,728
At 29 February 2004	9,000	81,000	94,760	184,760

8. Related party transactions

The company has taken exemption from the requirement to disclose related party transactions on the basis that it is a wholly owned subsidiary.

9. Parent undertaking and controlling party

The company's parent undertaking and controlling party is Platinum Fund Managers (Holdings) Limited. Copies of the Group Report and Accounts can be obtained from the registered offices of both companies, 16 Charlotte Square, Edinburgh, EH2 4DF.

10. Consolidated capital requirements

The company is not subject to regulatory consolidated capital requirements.