Dean River Asset Management Limited
(Company Number SC 204313)

Report and Financial Statements
For the period ended 31st December 2003

DEAN RIVER ASSET MANAGEMENT LIMITED

31st December 2003

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DEAN RIVER ASSET MANAGEMENT LIMITED

REPORT OF THE DIRECTORS

Directors:
J W Gunn
D S Macaulay
R J N L Gordon
C G A Younger
G M Powell
A D Pomfret

Secretary:
R E Loader

The directors submit their report and financial statements for the period from 1st August 2003 to 31st December 2003.

1. **Principal Activities**

The principal activity of the company was that of introducer of private client services and advisor to financial institutions.

2. **Review of Business**

The company continues to receive income under the trading agreement with Rathbone Investment Management Limited.

3. **Results and Transfer to Reserves**

The results for the period are set out in the profit and loss account on page 5.

4. **Future Prospects**

The Directors expect increases in turnover and profitability in 2004.

5. **Policy on payment of Creditors**

The Company's expenses are paid by Rathbone Investment Management Ltd, another Group company.

6. **Directors' shareholdings and options**

The directors who held office at the end of the financial year had the following interests in the shares of the parent undertaking, Rathbone Brothers Plc.

	At 31st December 2003 5p Ordinary Shares		At 1st August 2003 or date of appointment 5p Ordinary Shares	
	Beneficial	Non Beneficial	Beneficial	Non Beneficial
J W Gunn	1,379	-	1,055	-
D S Macaulay	1,379	-	1,055	-
R J N L Gordon	1,379	-	1,055	-
C G A Younger	1,379	-	1,055	-
G M Powell	299,301	10,000	298,977	10,000
A D Pomfret	14,503	-	14,055	-

The parent company has granted options to the following Directors to subscribe for 5p ordinary shares as indicated:

	Number of Options At 31.12.03	At 01.08.03 or appointment	Exercise Price	Date from which Exercisable	Expiry Date
A D Pomfret	50,000	50,000	814.17p	09.09.02	09.09.09
A D Pomfret	75,000	-	415.00p	14.03.06	14.03.13

There were no options exercised by Directors during the period. The market price of shares in Rathbone Brothers Plc was 740.5p as at 31st December 2003. The range in the period to 31st December 2003 was 582.5p to 767.5p.

7. **Political and charitable contributions**

The company made no political or charitable contributions during the period.

8. **Auditors**

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

Pursuant to Section 386 of the Companies Act 1985, a resolution is to be put to the forthcoming Annual General Meeting which, if passed, would result in the company not being required to reappoint its auditors annually. KPMG Audit Plc would then continue as the company's auditors.

Approved by the board on 16 July 2004
and signed on its behalf

Registered Office:
Charlotte House
2 Charlotte Street
Edinburgh EH 2 4AW

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R E Loader – Secretary

DEAN RIVER ASSET MANAGEMENT LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 as at the end of the financial period 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;
- prepare the financial statements on a 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. 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

DEAN RIVER ASSET MANAGEMENT LIMITED

We have audited the financial statements on pages 5 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 auditor's 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 3, 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 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 31st December 2003 and of its profit for the period 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

16 July 2004

DEAN RIVER ASSET MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31ST DECEMBER 2003

	Note	Period Ended 31st December 2003	Year Ended 31st July 2003
		£	£
Turnover		88,635	41,288
Operating expenses			
Administrative expenses		(5,831)	(12,339)
Profit on ordinary activities before taxation	2	82,804	28,949
Tax on profit on ordinary activities	4	(24,962)	(4,674)
Profit on ordinary activities after taxation		57,842	24,275
Dividends	5	-	(24,000)
Retained profit for the period		57,842	275

Continuing operations

The results for the period reflect continuing operations.

Recognised gains and losses

There were no other recognised gains or losses in the current or preceding period.

The notes on pages 7 to 9 form part of these financial statements

DEAN RIVER ASSET MANAGEMENT LIMITED

BALANCE SHEET

31ST DECEMBER 2003

	Note	31st December 2003 £	31st July 2003 £
Current assets			
Debtors	6	111,879	27,194
Cash at bank and in hand		8,544	13,341
		120,423	40,535
Creditors: amounts falling due within one year	7	(37,744)	(15,698)
Total net current assets		82,679	24,837
Total net assets		82,679	24,837
Capital and reserves			
Called up share capital	8	100	100
Profit and loss account	9	82,579	24,737
Equity Shareholders' funds		82,679	24,837

These financial statements were approved by the Board and signed on its behalf on 16 July 2004.

D S Macaulay
Director

J W Gunn
Director

The notes on pages 7 to 9 form part of these financial statements

DEAN RIVER ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st December 2003

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

a) **Basis of Preparation**
The financial statements are prepared in accordance with applicable accounting standards and under the historical cost convention. No cash flow statement is presented as allowed by FRS1. A group statement is included in the financial statements of the parent undertaking.

b) **Turnover**
Turnover represents the amounts receivable for goods and services net of VAT and trade discounts. The Company's turnover arose principally in the United Kingdom.

c) **Taxation**
The charge for taxation is based on the profit for the period as adjusted for disallowable and non-taxable items. Tax deferred or accelerated is accounted for in respect of all material *timing differences to the extent that it is probable that a liability or asset will crystallise.* Provision is made at the rate which is expected to be applied when the liability or asset is expected to crystallise. There was no provision for deferred tax liabilities at either 31st July 2003 or 31st December 2003.

2. Profit on ordinary activities

Auditors' remuneration is borne by Rathbone Investment Management Limited, a fellow subsidiary undertaking.

3. Directors and Staff Costs

The Company does not employ any staff. All Group staff are employed by Rathbone Brothers Plc. Directors' emoluments for the period ended 31st December 2003 were £3,332 (31st July 2003: £8,000)

4. Taxation

	Period Ended 31st December 2003 £	Year Ended 31st July 2003 £
Total current tax	24,962	4,674

The tax charge for the period is higher than the standard rate of corporation tax in the UK of 30% (31st July 2003 : 19%). The differences are explained below:

	Period Ended 31st December 2003 £	Year Ended 31st July 2003 £
Tax on ordinary activities at the standard rate of 30% (31st July 2003: 19%)	24,841	5,500
Underprovision in previous years	-	174
Disallowable expenses	121	-
Marginal Relief	-	(1,000)
Current tax charge	24,962	4,674

5. Dividends

	Period Ended 31st December 2003 £	Year Ended 31st July 2003 £
Proposed dividends	-	24,000

6. Debtors

	Period Ended 31st December 2003 £	Year Ended 31st July 2003 £
Amounts owed by group undertakings	111,879	-
Trade debtors	-	27,194
	111,879	27,194

7. Creditors: amounts falling due within one year

	Period Ended 31st December 2003 £	Year Ended 31st July 2003 £
Corporation tax	24,962	4,500
Other taxation and social security costs	6,097	3,280
Other creditors	6,685	7,918
	37,744	15,698

8. Called up share capital

	Ordinary Shares of £1 each
Authorised:	
At 1st August 2003 and at 31st December 2003	100
Allotted:	
At 1st August 2003 and at 31st December 2003	100

9. Reconciliation of movements in shareholders' funds

	Called up share capital £	Profit and loss account £	Total £
At 31st July 2003	100	24,737	24,837
Profit for the period	-	57,842	57,842
At 31st December 2003	100	82,579	82,679

10. Related party transactions

Advantage has been taken of the exemption provided by Financial Reporting Standard 8 from reporting transactions with group companies, 90% or more of whose voting rights are controlled within the group.

11. Ultimate Parent Undertaking and Controlling Party

The ultimate parent undertaking and controlling party of the Company is Rathbone Brothers Plc, a company registered in England, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the Group accounts may be obtained from the Company Secretary, Rathbone Brothers Plc, 159 New Bond Street, London, W1S 2UD.