

Dean River Asset Management Limited
(Company Number SC 204313)

Report and Financial Statements
For the year ended 31st December 2004



DEAN RIVER ASSET MANAGEMENT LIMITED

31st December 2004

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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 year to 31st December 2004.

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 2005 through the introduction of new clients.

The Directors recommend an interim dividend of £49,000 and a final dividend of £90,000 (2003: Nil).

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.

DEAN RIVER ASSET MANAGEMENT LIMITED

REPORT OF THE DIRECTORS

	At 31 st December 2004		At 1 st January 2004 or date of appointment	
	5p Ordinary Shares		5p Ordinary Shares	
	Beneficial	Non Beneficial	Beneficial	Non Beneficial
J W Gunn	1,994	-	1,379	-
D S Macaulay	1,994	-	1,379	-
R J N L Gordon	1,994	-	1,379	-
C G A Younger	1,994	-	1,379	-
G M Powell	299,916	7,500	299,301	10,000
A D Pomfret	20,293	-	14,503	-

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

	Number of Options		Exercise Price	Date from which Exercisable	Expiry Date
	At 31.12.04	At 01.01.04 or appointment			
A D Pomfret	50,000	50,000	814.17p	09.09.02	09.09.09
A D Pomfret	75,000	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 852.5p as at 31st December 2004 (2003: £740.5p). The range in the period to 31st December 2004 was 607.5p to 863.5p (2003: 582.5p to 767.5p).

7. Political and charitable contributions

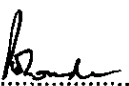
The company made no political or charitable contributions during the period (2003: nil).

8. Auditors

Pursuant to Section 386 of the Companies Act 1985, the Company has elected to dispense with the obligation to reappoint its auditors annually. KPMG Audit Plc continue as the Company's auditors.

Approved by the Board on 21st September 2005
and signed on its behalf

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


.....
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 2004 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.


KPMG Audit Plc
Chartered Accountants
Registered Auditor
London

21st September 2005

DEAN RIVER ASSET MANAGEMENT LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31ST DECEMBER 2004

		Year Ended 31 st December 2004	Year Ended 31 st December 2003
	Note	£	£
Turnover		151,745	88,635
Operating expenses			
Administrative expenses		(10,820)	(5,831)
Profit on ordinary activities before taxation	2	140,925	82,804
Tax on profit on ordinary activities	4	(42,497)	(24,962)
Profit on ordinary activities after taxation		98,428	57,842
Dividends	5	(139,000)	-
Retained (loss)/profit for the period		(40,572)	57,842

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

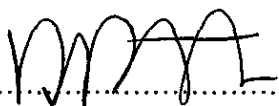
DEAN RIVER ASSET MANAGEMENT LIMITED

BALANCE SHEET

31ST DECEMBER 2004

		31st December 2004 £	31st December 2003 £
	Note		
Current assets			
Debtors	6	224,011	111,879
Cash at bank and in hand		8,616	8,544
		232,627	120,423
Creditors: amounts falling due within one year	7	(190,520)	(37,744)
Total net current assets		42,107	82,679
Total net assets		42,107	82,679
Capital and reserves			
Called up share capital	8	100	100
Profit and loss account	9	42,007	82,579
Equity Shareholders' funds		42,107	82,679

These financial statements were approved by the Board and signed on its behalf on 21st September 2005.



 A D Pomfret
 Director



 G M Powell
 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 2004

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. The comparative figures are for a five month period as the accounting period was shortened to coincide with that of the parent company. No cash flow statement is presented as allowed by FRS1 (Revised). A group statement is included in the financial statements of the parent undertaking.

b) Turnover

Turnover represents fees earned on total funds under management introduced and is net of VAT and trade discounts. The Company's turnover arose principally in the UK.

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 December 2003 or 31st December 2004.

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 2004 were £8,000 (31st December 2003: £3,332).

4. Taxation

	Year Ended 31 st December 2004 £	Year Ended 31 st December 2003 £
Total current tax	<u>42,497</u>	<u>24,962</u>

DEAN RIVER ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st December 2004

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

	Year Ended 31st December 2004 £	Year Ended 31st December 2003 £
Tax on ordinary activities at the standard rate of 30% (2003: 30%)	42,278	24,841
Disallowable expenses	219	121
Current tax charge	<u>42,497</u>	<u>24,962</u>
5. Dividends	Year Ended 31st December 2004 £	Year Ended 31st December 2003 £
Interim dividend – approved	49,000	-
Final dividend – proposed	<u>90,000</u>	-
	<u>139,000</u>	<u>-</u>
6. Debtors	31st December 2004 £	31st December 2003 £
Amounts owed by group undertakings	<u>224,011</u>	<u>111,879</u>
7. Creditors: amounts falling due within one year	31st December 2004 £	31st December 2003 £
Corporation tax	42,497	24,962
Other taxation and social security costs	4,304	6,097
Other creditors	4,719	6,685
Dividends	<u>139,000</u>	-
	<u>190,520</u>	<u>37,744</u>

DEAN RIVER ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st December 2004

8. Called up share capital

**Ordinary
Shares of
£1 each**

Authorised:

At 1st January 2004 and at 31st December 2004

100

Allotted:

At 1st January 2004 and at 31st December 2004

100

**9. Reconciliation of movements in
shareholders' funds**

	Called up share capital £	Profit and loss account £	Total £
At 31 st December 2003	100	82,579	82,679
Loss for the period	<u>-</u>	<u>(40,572)</u>	<u>(40,572)</u>
At 31 st December 2004	<u>100</u>	<u>42,007</u>	<u>42,107</u>

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.